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CITY OF PARKERSBURG  
PARKERSBURG, IOWA

INDEPENDENT AUDITORS' REPORTS  
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION  
INTERNAL CONTROLS AND COMPLIANCE

JUNE 30, 2014

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 **CARNEY,  
ALEXANDER,  
MAROLD & CO., L.L.P.**  
Certified Public Accountants

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

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CITY OF PARKERSBURG  
PARKERSBURG, IOWA

City Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>(Before January 2014)</b>		
Perry Bernard	Mayor	January, 2014
Leon Thorne	Mayor Pro tem	January, 2016
Harlan Schuck	Council Member	January, 2014
Denny Kannegieter	Council Member	January, 2014
Klint C. Knock	Council Member	January, 2016
Dan Bruns	Council Member	January, 2016
Chris Luhring	City Clerk/City Administrator	Indefinite
Martin Petersen	Attorney	Indefinite
<b>(After January 2014)</b>		
Denny Kannegieter	Mayor	January, 2018
Leon Thorne	Mayor Pro tem	January, 2016
Dan Bruns	Council Member	January, 2016
Klint C. Knock	Council Member	January, 2016
Michael Timmer	Council Member	January, 2018
Dallas Schrage	Council Member	January, 2018
Chris Luhring	City Clerk/City Administrator	Indefinite
Martin Petersen	Attorney	Indefinite

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 City of Parkersburg, Iowa, as of and for the year ended June 30, 2014, 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 fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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 auditors' 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. 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 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 City of Parkersburg as of June 30, 2014, and the respective changes in cash basis financial position for the year then ended in accordance 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 U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

## Other Matters

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Parkersburg'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 nine years ended June 30, 2013 (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 on pages 22 through 25, 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 U.S. generally accepted auditing standards. 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 the budgetary comparison information on pages 4 through 8 and 20 through 21, 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 March 20, 2015 on our consideration of City of Parkersburg'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 the 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 City of Parkersburg's internal control over financial reporting and compliance.

*Carney, Alexander, Marold & Co., L.L.P.*

## Management Discussion and Analysis

City of Parkersburg, Iowa 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, 2014. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

### Fiscal Year 2014 Financial Highlights:

- Revenues of the City's governmental activities decreased 14.4% or approximately \$457,749, from fiscal year 2013 to fiscal year 2014. Property tax receipts increased approximately \$31,657 (including tax increment financing collections) in the same period of time.
- Disbursements decreased 30.1%, or approximately \$971,937, in fiscal year 2014 from fiscal year 2013. Public works disbursements increased \$17,140 and community and economic development disbursements increased \$45,937.
- The City's total cash basis net assets increased by \$490,912 from June 30, 2013, to June 30, 2014. Of this amount, the assets of the governmental activities increased \$375,979. A large portion of these funds are capital project funds and reserved bond proceeds for street improvement purposes. The assets of the business type activities increased by approximately \$114,933.

### Using This Annual Report

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

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

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

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

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

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

Other Supplementary Information provides detailed information about the non major governmental funds.

### Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with 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 Assets provides information that helps answer this question.

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

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

- Governmental Activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- Business Type Activities include the waterworks and the sanitary sewer system. These activities are financed primarily by user charges.

### *Fund Financial Statements*

The City has two kinds of funds:

- 1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Road Use Tax and Urban Renewal Tax Increment, 3) the Debt Service Fund, 4) the Capital Projects Fund and 5) the Permanent Fund. The governmental fund financial statements provide a detailed, short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

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

- 2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business type activities. The City maintains two Enterprise Funds to provide separate information for the water and sewer funds, considered to be major funds of the City.

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

## Government-Wide Financial Analysis

Net Assets may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from Fiscal Year 2013, increasing from \$1,121,775 to \$1,497,754 at the end of Fiscal Year 2014. The analysis that follows focuses on the changes in cash balances for governmental activities.

### Changes in Cash Basis Net Position of Governmental Activities (Expressed in Thousands)

	Year ended June 30,	
	2014	2013
Receipts and transfers:		
Program receipts:		
Charges for service	\$ 163	\$ 157
Operating grants, contributions and restricted interest	187	179
Capital grants, contributions and restricted interest	645	1,356
General receipts:		
Property tax	1,326	1,293
Local option sales tax	109	118
Unrestricted interest on investments	3	3
Bond proceeds	-	1,730
Bonds refunded	-	(1,078)
Miscellaneous	283	68
Transfers, net	(87)	(95)
Total receipts and transfers	<u>2,629</u>	<u>3,731</u>
Disbursements:		
Public safety	339	330
Public works	379	362
Health and social services	1	1
Culture and recreation	270	277
Community and economic development	459	413
General government	156	194
Debt service	170	174
Capital projects	479	1,474
Total disbursements	<u>2,253</u>	<u>3,225</u>
Increase in cash basis net position	376	506
Cash basis net position beginning of year	<u>1,122</u>	<u>616</u>
Cash basis net position end of year	<u>\$ 1,498</u>	<u>\$ 1,122</u>

During Fiscal Year 2014 the City's total receipts decreased for governmental activities by 29.5% or \$1,102,000. The total cost of all programs and services performed by the city decreased by \$972,000, or 30%. The decrease in receipts was due to the completion of capital projects and also due to decreases in capital grants, contributions, and/or restricted interest.

The City decreased the property tax levy from \$15.97128 / \$1000 valuation in Fiscal Year 2013 to \$15.79702 / \$1000 valuation in Fiscal Year 2014. Despite the levy rate decrease, the City's total general fund property tax receipts increased by \$33,000 during Fiscal Year 2014. For Fiscal Year 2015, the City decreased the tax levy rate from \$15.79702 / \$1000 valuation to \$15.13752 / \$1000 valuation. For Fiscal Year 2016, the levy rate will decrease again to \$14.14451 / \$1000. Due to bond refinancing that took place and bonds becoming callable in fiscal year 2016, total property tax receipts are budgeted to decrease in fiscal year 2016.

The cost of all governmental activities in Fiscal Year 2014 was \$2,253,000 compared to \$3,225,000 in Fiscal Year 2013.

Changes in Cash Basis Net Position of Business Type Activities  
(Expressed in Thousands)

	Year ended June 30,	
	2013	2013
Receipts and transfers:		
Program receipts:		
Charges for service		
Water	\$ 255	\$ 247
Sewer	168	142
Transfers, net	87	95
Total receipts and transfers	510	484
Disbursements:		
Water	183	160
Sewer	212	181
Total disbursements	395	341
Increase in cash basis net position	115	143
Cash basis net position beginning of year	268	125
Cash basis net position end of year	\$ 383	\$ 268

Total business type activities receipts for the Fiscal Year 2014 were \$510,000 compared to \$484,000 in the previous year. The cash balance increased by \$115,000 from Fiscal Year 2013. Total disbursements in Fiscal Year 2014 increased to \$395,000 compared to \$341,000 in the previous year.

#### Individual Major Governmental Fund Analysis

As the City of Parkersburg completed the year, its governmental funds reported a combined fund balance of \$1,498,000, an increase of \$376,000 from Fiscal Year 2013's total of \$1,122,000. The following are the reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased to \$817,944 from the prior year balance of \$513,108.
- The Road Use Tax Fund cash balance increased by \$6,609 to a balance of \$82,450 during Fiscal Year 2014.
- The TIF fund cash balance decreased by \$33,317 to \$339,632.
- The Capital Projects fund cash balance increased by \$63,171 to \$115,288.

#### Individual Major Business Type Fund Analysis

- The Water Fund cash balance increased by \$71,394 to \$230,478.
- The Sewer Fund cash balance increased by \$43,539 to \$152,118.

#### Budgetary Highlights

The City did amend its budget during the year.

#### Debt Administration

As of June 30, 2014, the City had approximately \$1,992,000 in bonds and other long-term debt, compared to approximately \$2,283,000 in the previous year, as shown on the next page.

Outstanding Debt at Year-End  
(Expressed in Thousands)

	Year ended June 30,	
	2014	2013
General obligation bonds - corporate purpose notes	\$ -	\$ 40
General obligation bonds - corporate purpose bonds	75	145
General obligation bonds - corporate purpose notes	40	50
General obligation bonds - street improvement bonds	590	635
General obligation bonds - refunding bonds	1,010	1,095
Sewer revenue bonds	277	318
Total	\$ 1,992	\$ 2,283

Debt decreased as a result of the paying off of existing debt, including the retiring of debt for the expansion of the Parkersburg Industrial Park. The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue of 5% of the assessed value of all taxable property with the City's corporate limits. The City's outstanding general obligation debt of \$1,715,000 is below its constitutional debt limit of \$5,681,266.

### Economic Factors and Next Year's Budgets and Rates:

The City of Parkersburg's elected and appointed officials considered many factors when setting the fiscal year 2015 budget. Some of which include the tax rates and fees for various city services and charges for other city amenities. The City of Parkersburg continues to report strong residential and commercial building projects. Last year the city had thirty building permits applied for valued in excess of \$2.2 million. Property tax is a major source of revenue and Parkersburg is fortunate that it has seen minor, but consistent increases in assessed and taxable valuations. Overall, good home sales continue to show people value the homes we have here in Parkersburg, want to live here, and will pay more to do so. Our steady growth has allowed the City to maintain its high level of service to the citizens. The City projects a balanced budget in all categories in the future.

The operating costs for providing all city services, including the water and sewer departments, continue to rise. The City of Parkersburg continues to secure funding for capital projects from several resources for projects benefiting the city of Parkersburg and citizens alike. The update to the Highway 14/57 corridor, which includes the construction of a new roadway, curb and gutter, and pedestrian trail, is now ninety-nine percent complete. The final renovation to the Kothe Memorial Library has now been completed as well. A water main construction and water main looping project along Highway 57 west and on Railroad Street will begin in the next several months. This project begins the process of replacing the underground infrastructure in Parkersburg that is old and in need of major repair. While capital projects may pose difficulties during their construction phases, the benefits of these projects highlight Parkersburg's successful recovery and our desire to be a healthier, more sustainable community in the future.

These indicators were taken into account when adopting the budget for fiscal year 2015. Amounts available for appropriation in the Fiscal Year 2015 operating budget are \$2,314,941. The City Council and Mayor have made every effort to keep the City financially sound. The City's budgeted cash balance is expected to remain steady by the close of 2015. The City of Parkersburg continues to operate in the most efficient way possible. Parkersburg's future economic well-being is more optimistic than in the prior year because our continued recovery, the completion of capital projects in the last several years, the ongoing projects scheduled to be completed in the next twelve months, and the spirit of the community.

### 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 Chris Luhring, City Administrator, 608 Hwy 57, Parkersburg, Iowa.

## Basic Financial Statements

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2014

	Program Receipts			
Disbursements	Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions, and Restricted Interest	
Primary Government:				
Functions/Programs:				
Governmental activities:				
Public safety	\$ 339,246	\$ -	\$ -	\$ 132,128
Public works	378,955	135,630	186,726	20,862
Health and social services	541	-	-	-
Culture and recreation	270,236	27,275	-	20,726
Community and economic development	458,948	-	-	-
General government	156,075	-	-	-
Debt service	169,548	-	-	-
Capital projects	479,194	-	-	471,696
Total governmental activities	2,252,743	162,905	186,726	645,412
Business type activities:				
Water	183,430	254,824	-	-
Sewer	211,346	168,217	-	-
Total business type activities	394,776	423,041	-	-
Total	\$ 2,647,519	\$ 585,946	\$ 186,726	\$ 645,412
Component Unit:				
Parkersburg Economic Development	\$ 124,716	\$ -	\$ 37,696	\$ -
General Receipts:				
Property tax levied for:				
General purposes				
Tax increment financing				
Debt Service				
Local option sales tax				
Payment from City of Parkersburg				
Unrestricted interest on investments				
Miscellaneous				
Transfers				
Total general receipts and transfers				
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:				
Nonexpendable - cemetery perpetual care				
Expendable:				
Streets				
Urban renewal purposes				
Debt service				
Capital projects				
Other purposes				
Unrestricted				
Total cash basis net position				

See notes to financial statements.

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

Primary Government			
Governmental Activities	Business Type Activities	Total	Component Unit
\$ (207,118)	\$ -	\$ (207,118)	\$ -
(35,737)	-	(35,737)	-
(541)	-	(541)	-
(222,235)	-	(222,235)	-
(458,948)	-	(458,948)	-
(156,075)	-	(156,075)	-
(169,548)	-	(169,548)	-
(7,498)	-	(7,498)	-
<u>(1,257,700)</u>	<u>-</u>	<u>(1,257,700)</u>	<u>-</u>
-	71,394	71,394	-
-	(43,129)	(43,129)	-
-	28,265	28,265	-
<u>(1,257,700)</u>	<u>28,265</u>	<u>(1,229,435)</u>	<u>-</u>
-	-	-	(87,020)
702,116	-	702,116	-
425,631	-	425,631	-
198,225	-	198,225	-
109,015	-	109,015	-
-	-	-	56,145
2,581	-	2,581	7,066
282,779	-	282,779	6,283
(86,668)	86,668	-	-
<u>1,633,679</u>	<u>86,668</u>	<u>1,720,347</u>	<u>69,494</u>
375,979	114,933	490,912	(17,526)
<u>1,121,775</u>	<u>267,663</u>	<u>1,389,438</u>	<u>183,788</u>
<u>\$ 1,497,754</u>	<u>\$ 382,596</u>	<u>\$ 1,880,350</u>	<u>\$ 166,262</u>
\$ 62,030	\$ -	\$ 62,030	\$ -
82,450	-	82,450	-
339,632	-	339,632	-
21,370	-	21,370	-
115,288	-	115,288	-
59,040	-	59,040	166,262
817,944	382,596	1,200,540	-
<u>\$ 1,497,754</u>	<u>\$ 382,596</u>	<u>\$ 1,880,350</u>	<u>\$ 166,262</u>

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Statement of Cash Receipts, Disbursements  
and Changes in Cash Balances  
Governmental Funds

As of and for the year ended June 30, 2014

	General	Special Revenue	
		Road Use Tax	Urban Renewal Tax Increment
Receipts:			
Property tax	\$ 499,447	\$ -	\$ -
Tax increment financing collections	-	-	425,631
Other city tax	4,993	-	-
Licenses and permits	10,651	-	-
Use of money and property	1,954	-	-
Intergovernmental	173,716	186,726	-
Charges for service	162,905	-	-
Special assessments	2,298	-	-
Miscellaneous	269,830	-	-
<b>Total receipts</b>	<b>1,125,794</b>	<b>186,726</b>	<b>425,631</b>
Disbursements:			
Operating:			
Public safety	277,696	-	-
Public works	167,169	180,117	-
Health and social services	525	-	-
Culture and recreation	219,978	-	-
Community and economic development	-	-	458,948
General government	121,288	-	-
Debt service	-	-	-
Capital projects	3,672	-	-
<b>Total disbursements</b>	<b>790,328</b>	<b>180,117</b>	<b>458,948</b>
Excess (deficiency) of receipts over (under) disbursements	335,466	6,609	(33,317)
Other financing sources (uses):			
Operating transfers in	36,367	-	-
Operating transfers out	(66,997)	-	-
<b>Total other financing sources (uses)</b>	<b>(30,630)</b>	<b>-</b>	<b>-</b>
Net change in cash balances	304,836	6,609	(33,317)
Cash balances beginning of year	513,108	75,841	372,949
Cash balances end of year	\$ 817,944	\$ 82,450	\$ 339,632
Cash Basis Fund Balances			
Nonspendable - cemetery perpetual care	\$ -	\$ -	\$ -
Restricted for:			
Streets	-	82,450	-
Urban renewal purposes	-	-	339,632
Debt service	-	-	-
Capital projects	-	-	-
Other purposes	-	-	-
Unassigned	817,944	-	-
<b>Total cash basis fund balances</b>	<b>\$ 817,944</b>	<b>\$ 82,450</b>	<b>\$ 339,632</b>

See notes to financial statements.

Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total
\$ 196,400	\$ -	\$ 195,717	\$ 891,564
-	-	-	425,631
1,825	-	110,974	117,792
-	-	-	10,651
-	-	627	2,581
-	471,696	-	832,138
-	-	-	162,905
-	-	-	2,298
-	-	-	269,830
<u>198,225</u>	<u>471,696</u>	<u>307,318</u>	<u>2,715,390</u>
-	-	61,550	339,246
-	-	31,669	378,955
-	-	16	541
-	-	50,258	270,236
-	-	-	458,948
-	-	34,787	156,075
169,548	-	-	169,548
-	475,522	-	479,194
<u>169,548</u>	<u>475,522</u>	<u>178,280</u>	<u>2,252,743</u>
<u>28,677</u>	<u>(3,826)</u>	<u>129,038</u>	<u>462,647</u>
-	66,997	-	103,364
-	-	(123,035)	(190,032)
-	66,997	(123,035)	(86,668)
28,677	63,171	6,003	375,979
(7,307)	52,117	115,067	1,121,775
<u>\$ 21,370</u>	<u>\$ 115,288</u>	<u>\$ 121,070</u>	<u>\$ 1,497,754</u>
\$ -	\$ -	\$ 62,030	\$ 62,030
-	-	-	82,450
-	-	-	339,632
21,370	-	-	21,370
-	115,288	-	115,288
-	-	59,040	59,040
-	-	-	817,944
<u>\$ 21,370</u>	<u>\$ 115,288</u>	<u>\$ 121,070</u>	<u>\$ 1,497,754</u>

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Statement of Cash Receipts, Disbursements and Changes in Cash Balances  
Proprietary Funds

As of and for the year ended June 30, 2014

	Enterprise Funds		
	Sewer Rental	Water	Total
Operating receipts:			
Charges for service			
Sale of water	\$ -	\$ 254,824	\$ 254,824
Sewer rental fees	168,217	-	168,217
Total operating receipts	168,217	254,824	423,041
Operating disbursements:			
Business type activities:			
Water	-	183,430	183,430
Sewer	129,766	-	129,766
Total operating disbursements	129,766	183,430	313,196
Excess of operating receipts over operating disbursements	38,451	71,394	109,845
Non-operating receipts (disbursements):			
Debt Service	(81,580)	-	(81,580)
Excess (deficiency) of receipts over (under) disbursements	(43,129)	71,394	28,265
Other financing sources:			
Operating transfers in	86,668	-	86,668
Net change in cash balances	43,539	71,394	114,933
Cash balances beginning year	108,579	159,084	267,663
Cash balances end of year	\$ 152,118	\$ 230,478	\$ 382,596
 Cash Basis Fund Balances			
Unrestricted	\$ 152,118	\$ 230,478	\$ 382,596
Total cash basis fund balances	\$ 152,118	\$ 230,478	\$ 382,596

See notes to financial statements.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(1) Summary of Significant Accounting Policies

The City of Parkersburg is a political subdivision of the State of Iowa located in Butler County. It was first incorporated in 1874 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, health and social services, 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, the City of Parkersburg 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 government-wide financial statements present the City of Parkersburg (the primary government) and its component unit. The component unit discussed in Note 8 is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. The component unit's cash receipts and disbursements are discretely presented on the City's financial statements and condensed information is presented in Note 8.

Jointly Governed Organization

The City participates in a jointly governed organization that provides goods or services to the citizenry of the City but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating government. An official is a member of the Butler County Joint E911 Service Board.

B. Basis of Presentation

Government-wide Financial Statements - 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.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

*Nonexpendable restricted net position* are subject to externally imposed stipulations which require them to be maintained permanently by the City, including the City's Permanent Fund.

*Expendable restricted net position* result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions of enabling legislation.

*Unrestricted net position* consist of net position not meeting the definition of the preceding categories. Unrestricted net position often have constraints on resources 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 or segment are offset by program receipts. Direct disbursements are those that are 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 the governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts that are 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 Urban Renewal Tax Increment Fund is used to account for urban renewal projects financed by tax increment financing.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

The City reports the following major governmental funds (continued):

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

The Capital Projects Fund is utilized to account for the expenditures of capital improvements for the City.

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.

C. Measurement Focus and Basis of Accounting

The City of Parkersburg 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.

Under 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 are both restricted and unrestricted cash basis net assets 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 nonoperating 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.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(1) Summary of Significant Accounting Policies (continued)

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, grantors, 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 other spendable classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2014 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.

*Interest rate risk.* The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in 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.

The City's investments at June 30, 2014 were certificates of deposit only.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(3) Bonds and Notes Payable

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

Year Ending June 30,	General Obligation Bonds							
	Corporate Purpose Bonds		Corporate Purpose Loan Notes		Street Improvement Bonds		Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 75,000	\$ 33,988	\$ 10,000	\$ 1,014	\$ 45,000	\$ 11,238	\$ 90,000	\$ 13,500
2016	-	-	10,000	760	45,000	10,900	160,000	12,915
2017	-	-	10,000	508	35,000	10,562	170,000	11,715
2018	-	-	10,000	254	40,000	10,108	170,000	10,100
2019	-	-	-	-	40,000	9,587	90,000	8,230
2020-2024	-	-	-	-	200,000	37,558	270,000	20,855
2025-2028	-	-	-	-	185,000	12,745	60,000	2,340
<b>Total</b>	<b>\$ 75,000</b>	<b>\$ 33,988</b>	<b>\$ 40,000</b>	<b>\$ 2,536</b>	<b>\$ 590,000</b>	<b>\$ 102,698</b>	<b>\$1,010,000</b>	<b>\$ 79,655</b>

Year Ending June 30,	General Obligation Bonds				Total General Obligation and Sewer Revenue Bonds	
	General Obligation Total		Sewer Revenue Bonds		Principal	Interest
	Principal	Interest	Principal	Interest		
2015	\$ 220,000	\$ 59,740	\$ 42,000	\$ 8,310	\$ 262,000	\$ 68,050
2016	215,000	24,575	44,000	7,050	259,000	31,625
2017	215,000	22,785	45,000	5,730	260,000	28,515
2018	220,000	20,462	47,000	4,380	267,000	24,842
2019	130,000	17,817	49,000	2,970	179,000	20,787
2020-2024	470,000	58,413	50,000	1,500	520,000	59,913
2025-2028	245,000	15,085	-	-	245,000	15,085
<b>Total</b>	<b>\$1,715,000</b>	<b>\$ 218,877</b>	<b>\$ 277,000</b>	<b>\$ 29,940</b>	<b>\$1,992,000</b>	<b>\$ 248,817</b>

Revenue Bonds - the City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$901,000 of sewer revenue bonds issued in July, 2000 . Proceeds from the bonds provided financing for the construction of improvements and extensions to the municipal sanitary sewer system. The bonds are payable solely from sewer customer net receipts and are payable through 2020. Annual principal and interest payments on the bonds are expected to require less than 40% of the net receipts. Total principal and interest remaining to be paid is \$306,940. For the current year, principal and interest paid and total net receipts were \$46,724 and \$125,119, respectively.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(4) Pension and Retirement Benefits

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

Most regular plan members are required to contribute 5.95% of their annual covered salary and the City is required to contribute 8.93% of annual covered payroll. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contributions requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$35,485, \$32,747 and \$30,049 respectively, equal to the required contributions for each year.

(5) Compensated Absences

Full time City employees accumulate vacation and sick leave hours for subsequent use. These accumulations are not recognized as disbursements by the City until used or paid.

Vacation hours not used as of June 30 each year are forfeited. The City has no liability for earned vacation payable to employees at June 30, 2014. Sick leave is payable only when used and not upon retirement or death.

Full time City employees qualify for overtime pay when hours worked in a specific week exceed 40 hours. The employee is entitled to be paid for the excess hours at one and one half their hourly rate or they may choose to accumulate comp time. At June 30, 2014, the accumulated comp time was \$6,504 using the rates of pay in effect at that time.

(6) Anticipatory Warrants

Anticipatory warrants are the warrants which are legally drawn on City funds but are not paid for lack of funds, in accordance with Chapter 74 of the Code of Iowa. The warrants bear interest at rates in effect at the time the warrants are first presented for redemption.

There was not any anticipatory warrant activity for the year ended June 30, 2014.

(7) Construction Commitments

At June 30, 2014, the City had approved construction projects totaling \$2,611,838. As of June 30, 2014, \$2,512,708 of these projects had been completed and had been paid. The remaining contract balances are to be completed and paid after June 30, 2014.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(8) Component Unit

The Cash Basis Statement of Activities and Net Assets includes the discretely presented financial information of the City's component unit, Parkersburg Economic Development, whose relationship to the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Parkersburg Economic Development is governed by an eight-member board.

Included in the receipts of the component unit is \$56,145 which is from the City of Parkersburg. Likewise, in the financial statements of the City, disbursements of \$56,145 are included in the Special Revenue, Urban Renewal Tax Increment fund, under the community and economic development function.

Below, a condensed financial statement for the Parkersburg Economic Development is presented:

Receipts:	
Use of money and property	\$ 12,566
Miscellaneous	94,624
	<hr/>
Total	107,190
	<hr/>
Disbursements:	
Operating:	
Community and economic development	124,716
	<hr/>
Total	124,716
	<hr/>
Net change in cash balances	(17,526)
Cash balances beginning of year	183,788
	<hr/>
Cash balances end of year	\$ 166,262
	<hr/>

(9) Other Postemployment Benefits (OPEB)

Plan Description - The City operates a single employer benefit plan which provides medical/prescription drug/dental benefits for full time employees and their families, and for retirees and their spouses. There are presently 7 active and 0 retired members in the plan. Participants must be age 55 or older at retirement.

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

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$724 for single coverage and \$522 - \$1,836 for family coverage. The same monthly premiums would apply to retirees. For the year ended June 30, 2014, the City contributed \$103,984 and plan members eligible for benefits contributed \$0 to the plan.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Financial Statements  
June 30, 2014

(10) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

Transfer to:		Transfer from:	
General	\$ 21,667	Special Revenue: Local Option Sales Tax	\$ 108,335
Proprietary: Enterprise: Sewer Rental	86,668		
General	14,700	Special Revenue: Emergency Levy	14,700
Capital Projects	66,997	General	66,997
Total	\$ 190,032		\$ 190,032

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

(11) Related Party Transactions

The City had no business transactions between the City and City officials during the year ended June 30, 2014.

(11) Risk Management

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

(13) Subsequent Events

Management has evaluated subsequent events through March 20, 2015, the date on which the financial statements were available to be issued.

## Other Information

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Budgetary Comparison Schedule of Receipts, Disbursements and Changes in Balances -  
Budget and Actual (Cash Basis) - All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year ended June 30, 2014

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
<b>Receipts:</b>			
Property tax	\$ 891,564	\$ -	\$ -
Tax increment financing collections	425,631	-	-
Other city tax	117,792	-	-
Licenses and permits	10,651	-	-
Use of money and property	2,581	-	-
Intergovernmental	832,138	-	-
Charges for service	162,905	423,041	-
Special assessments	2,298	-	-
Miscellaneous	269,830	-	-
<b>Total receipts</b>	<b>2,715,390</b>	<b>423,041</b>	<b>-</b>
<b>Disbursements:</b>			
Public safety	339,246	-	-
Public works	378,955	-	-
Health and social services	541	-	-
Culture and recreation	270,236	-	-
Community and economic development	458,948	-	-
General government	156,075	-	-
Debt service	169,548	-	-
Capital projects	479,194	-	-
Business type activities	-	394,776	-
<b>Total disbursements</b>	<b>2,252,743</b>	<b>394,776</b>	<b>-</b>
Excess of receipts over disbursements	462,647	28,265	-
Other financing sources, net	(86,668)	86,668	-
Excess of receipts and other financing sources over disbursements and other financing uses	375,979	114,933	-
Balances beginning of year	1,121,775	267,663	-
Balances end of year	<u>\$ 1,497,754</u>	<u>\$ 382,596</u>	<u>\$ -</u>

See accompanying independent auditor's report.

Net	Budgeted Amounts		Final to Net Variance
	Original	Final	
\$ 891,564	\$ 880,421	\$ 880,421	\$ 11,143
425,631	455,605	455,605	(29,974)
117,792	117,722	117,722	70
10,651	8,650	8,650	2,001
2,581	500	500	2,081
832,138	228,100	722,600	109,538
585,946	593,100	593,100	(7,154)
2,298	3,000	3,000	(702)
269,830	25,300	240,300	29,530
<u>3,138,431</u>	<u>2,312,398</u>	<u>3,021,898</u>	<u>116,533</u>
339,246	368,163	368,163	28,917
378,955	379,117	379,117	162
541	5,000	5,000	4,459
270,236	286,360	306,360	36,124
458,948	468,906	468,906	9,958
156,075	189,448	189,448	33,373
169,548	198,290	198,290	28,742
479,194	-	705,000	225,806
394,776	397,966	397,966	3,190
<u>2,647,519</u>	<u>2,293,250</u>	<u>3,018,250</u>	<u>370,731</u>
490,912	19,148	3,648	487,264
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
490,912	19,148	3,648	487,264
<u>1,389,438</u>	<u>614,854</u>	<u>1,389,438</u>	<u>-</u>
<u>\$ 1,880,350</u>	<u>\$ 634,002</u>	<u>\$ 1,393,086</u>	<u>\$ 487,264</u>

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Notes to Other Information - Budgetary Reporting

June 30, 2014

The budgetary comparison is presented as Required Supplementary Information in accordance with Government 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 and Fiduciary Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget 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, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, the Permanent Fund and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, a budget amendment increased the budgeted disbursements by \$725,000. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2014, disbursements did not exceed the amounts budgeted.

## Supplementary Information

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Schedule of Cash Receipts, Disbursements  
and Changes in Cash Balances -  
Nonmajor Governmental Funds

As of and for the year ended June 30, 2014

	Special	
	Local Option Sales Tax	Employee Benefits
Receipts:		
Property tax	\$ -	\$ 181,162
Tax increment financing collections	-	-
Other city tax	109,015	1,814
Licenses and permits	-	-
Use of money and property	-	-
Intergovernmental	-	-
Charges for service	-	-
Miscellaneous	-	-
	109,015	182,976
Disbursements:		
Operating:		
Public safety	-	61,550
Public works	-	31,669
Health and social services	-	16
Culture and recreation	-	50,258
Community and economic development	-	-
General government	-	34,787
Debt service	-	-
Capital projects	-	-
	-	178,280
Total disbursements	-	178,280
Excess of receipts over disbursements	109,015	4,696
Other financing sources (uses):		
Operating transfers in	-	-
Operating transfers out	(108,335)	-
	(108,335)	-
Total other financing sources (uses)	(108,335)	-
Net change in cash balances	680	4,696
Cash balances beginning of year	(680)	1,828
Cash balances end of year	\$ -	\$ 6,524
 Cash Balance Fund Balances		
Nonspendable - cemetery perpetual care		
Restricted for:	\$ -	\$ -
Capital projects	-	-
Other purposes	-	6,524
Unassigned	-	-
	-	-
Total cash basis fund balances	\$ -	\$ 6,524

See accompanying independent auditors' report.

Revenue				Permanent	
Emergency	Police	Historical	Historical	Cemetery	Total
Levy	Forfeiture	House	House	Perpetual	
				Care	
\$ 14,555	\$ -	\$ -	\$ -	\$ -	\$ 195,717
-	-	-	-	-	-
145	-	-	-	-	110,974
-	-	-	-	-	-
-	-	-	-	627	627
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,700	-	-	-	627	307,318
-	-	-	-	-	61,550
-	-	-	-	-	31,669
-	-	-	-	-	16
-	-	-	-	-	50,258
-	-	-	-	-	-
-	-	-	-	-	34,787
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	178,280
14,700	-	-	-	627	129,038
-	-	-	-	-	-
(14,700)	-	-	-	-	(123,035)
(14,700)	-	-	-	-	(123,035)
-	-	-	-	627	6,003
-	516	52,000	-	61,403	115,067
\$ -	\$ 516	\$ 52,000	-	\$ 62,030	\$ 121,070
\$ -	\$ -	\$ -	\$ -	\$ 62,030	\$ 62,030
-	-	-	-	-	-
-	516	52,000	-	-	59,040
-	-	-	-	-	-
\$ -	\$ 516	\$ 52,000	-	\$ 62,030	\$ 121,070

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Schedule of Indebtedness

Year ended June 30, 2014

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>
General Obligation Bonds:			
Corporate purpose loan notes, Series 2003	December 1, 2003	1.95% - 3.55%	\$ 350,000
Corporate purpose bonds, Series 2006	May 1, 2006	3.70% - 5.05%	\$ 1,250,000
Corporate purpose notes, Series 2011	October 15, 2011	2.50%	\$ 60,000
Street improvement bonds, Series 2012A	September 20, 2012	.75% - 2.75%	\$ 635,000
Refunding bonds, Series 2012B	September 20, 2012	.65% - 2.60%	\$ 1,095,000
Sewer Revenue Bonds, State Revolving Loan Fund:			
Series 2000A	July 5, 2000	3.00%	\$ 757,000
Series 2000B	July 5, 2000	3.00%	\$ 144,000

See accompanying independent auditor's report.

<u>Balance Beginning of Year</u>	<u>Issued During Year</u>	<u>Redeemed During Year</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	<u>Interest Due and Unpaid</u>
<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 1,420</u>	<u>\$ -</u>
<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 75,000</u>	<u>\$ 36,893</u>	<u>\$ -</u>
<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 40,000</u>	<u>\$ 1,261</u>	<u>\$ -</u>
<u>\$ 635,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 590,000</u>	<u>\$ 11,575</u>	<u>\$ -</u>
<u>\$ 1,095,000</u>	<u>\$ -</u>	<u>\$ 85,000</u>	<u>\$ 1,010,000</u>	<u>\$ 14,053</u>	<u>\$ -</u>
<u>\$ 254,000</u>	<u>\$ -</u>	<u>\$ 33,000</u>	<u>\$ 221,000</u>	<u>\$ 4,572</u>	<u>\$ -</u>
<u>\$ 64,000</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 56,000</u>	<u>\$ 1,152</u>	<u>\$ -</u>

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Bond and Note Maturities

Year ended June 30, 2014

General Obligation Bonds		
Corporate Purpose Bonds, Series 2006		
Issued May 1, 2006		
Year Ending June 30,	Interest Rates	Amount
2015	4.20%	\$ 75,000
		<u>\$ 75,000</u>

General Obligation Bonds		
Corporate Purpose Loan Notes, Series 2011		
Issued October 15, 2011		
Year Ending June 30,	Interest Rates	Amount
2015	2.50%	\$ 10,000
2016	2.50%	10,000
2017	2.50%	10,000
2018	2.50%	10,000
		<u>\$ 40,000</u>

General Obligation Bonds		
Street Improvement Bonds, Series 2012A		
Issued September 20, 2012		
Year Ending June 30,	Interest Rates	Amount
2015	0.75%	\$ 45,000
2016	0.75%	45,000
2017	1.30%	35,000
2018	1.30%	40,000
2019	1.30%	40,000
2020	1.90%	40,000
2021	1.90%	40,000
2022	1.90%	40,000
2023	2.35%	40,000
2024	2.35%	40,000
2025	2.35%	45,000
2026	2.75%	45,000
2027	2.75%	45,000
2028	2.75%	50,000
		<u>\$ 590,000</u>

General Obligation Bonds		
Refunding Bonds, Series 2012B		
Issued September 20, 2012		
Year Ending June 30,	Interest Rates	Amount
2015	0.65%	\$ 90,000
2016	0.75%	160,000
2017	0.95%	170,000
2018	1.10%	170,000
2019	1.60%	90,000
2020	1.60%	95,000
2021	1.90%	95,000
2022	1.90%	25,000
2023	2.60%	25,000
2024	2.60%	30,000
2025	2.60%	30,000
2026	2.60%	30,000
		<u>\$ 1,010,000</u>

Sewer Revenue Bonds						
Series 2000 A			Series 2000 B			
Year Ending June 30,	Interest Rates	Amount	Year Ending June 30,	Interest Rates	Amount	Total
2015	3.00%	\$ 34,000	2015	3.00%	\$ 8,000	\$ 42,000
2016	3.00%	35,000	2016	3.00%	9,000	44,000
2017	3.00%	36,000	2017	3.00%	9,000	45,000
2018	3.00%	37,000	2018	3.00%	10,000	47,000
2019	3.00%	39,000	2019	3.00%	10,000	49,000
2020	3.00%	40,000	2020	3.00%	10,000	50,000
		<u>\$ 221,000</u>			<u>\$ 56,000</u>	<u>\$ 277,000</u>

See accompanying independent auditors' report.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Schedule of Receipts by Source and Disbursements by Function  
All Governmental Funds

For the Last Ten Years

	2014	2013	2012	2011
<b>Receipts:</b>				
Property tax	\$ 891,564	\$ 835,878	\$ 673,353	\$ 529,648
Tax increment financing collections	425,631	449,660	846,376	508,214
Other city tax	117,792	125,438	127,193	112,006
Licenses and permits	10,651	9,170	10,089	9,267
Use of money and property	2,581	2,504	2,625	3,111
Intergovernmental	832,138	1,535,017	862,068	786,652
Charges for service	162,905	156,882	161,599	256,935
Special assessments	2,298	2,152	4,168	15,714
Miscellaneous	269,830	56,438	338,696	269,761
<b>Total</b>	<b>\$ 2,715,390</b>	<b>\$ 3,173,139</b>	<b>\$ 3,026,167</b>	<b>\$ 2,491,308</b>
<b>Disbursements:</b>				
<b>Operating:</b>				
Public safety	\$ 339,246	\$ 330,293	\$ 240,536	\$ 233,191
Public works	378,955	361,815	306,397	298,763
Health and social services	541	729	1,265	1,635
Culture and recreation	270,236	276,724	295,696	202,909
Community and economic development	458,948	413,011	442,980	564,942
General government	156,075	193,993	325,627	306,324
Debt service	169,548	173,796	214,570	215,135
Capital projects	479,194	1,474,319	579,662	2,716,927
<b>Total</b>	<b>\$ 2,252,743</b>	<b>\$ 3,224,680</b>	<b>\$ 2,406,733</b>	<b>\$ 4,539,826</b>

See accompanying independent auditor's report.

2010	2009	2008	2007	2006	2005
\$ 589,154	\$ 580,287	\$ 564,080	\$ 549,392	\$ 419,154	\$ 421,344
495,988	422,459	353,214	337,820	319,977	179,965
145,478	143,515	124,241	117,175	105,552	105,208
10,145	37,271	11,851	3,104	2,562	2,419
9,055	16,564	7,101	15,380	19,483	8,845
2,024,492	8,371,066	244,062	269,538	245,016	406,221
224,287	206,012	204,089	217,650	208,989	186,558
6,601	7,181	34,715	38,502	-	-
88,518	943,728	57,967	23,132	11,405	26,103
<u>\$ 3,593,718</u>	<u>\$ 10,728,083</u>	<u>\$ 1,601,320</u>	<u>\$ 1,571,693</u>	<u>\$ 1,332,138</u>	<u>\$ 1,336,663</u>
\$ 291,403	\$ 314,598	\$ 195,431	\$ 238,251	\$ 205,499	\$ 236,808
321,554	275,097	725,875	351,046	322,919	285,723
1,229	11,385	2,102	5,332	3,342	7,664
179,825	178,518	182,197	196,486	190,838	172,847
192,952	242,516	549,569	444,721	238,725	686,526
254,677	261,254	204,187	221,612	192,283	190,728
240,767	254,078	193,174	104,503	101,138	131,722
7,821,539	203,267	787,769	-	-	-
<u>\$ 9,303,946</u>	<u>\$ 1,740,713</u>	<u>\$ 2,840,304</u>	<u>\$ 1,561,951</u>	<u>\$ 1,254,744</u>	<u>\$ 1,712,018</u>

## Internal Controls and Compliance

Independent Auditors' 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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in the *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 Parkersburg, Iowa, as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 20, 2015. 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 Parkersburg'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 Parkersburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Parkersburg's internal control.

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 a material misstatement of the City of Parkersburg's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Parkersburg'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 or other matters which are described in Part II of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2014 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.

## City of Parkersburg's Responses to Findings

City of Parkersburg's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. City of Parkersburg'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 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 Parkersburg 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.

*Carmy, Alexander, Marsd & Co., L.L.P.*

Waterloo, Iowa  
March 20, 2015

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Schedule of Findings and Questioned Costs  
Year ended June 30, 2014

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

INSTANCES OF NON-COMPLIANCE:

None noted

INTERNAL CONTROL DEFICIENCIES:

None noted

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Schedule of Findings and Questioned Costs  
Year ended June 30, 2014

**Part II: Other Findings Related to Statutory Reporting:**

- II-A-14 Official Depositories - A resolution naming official depositories has been approved by the City. The maximum deposit amounts stated in that resolution were not exceeded during the year ended June 30, 2014.
- II-B-14 Certified Budget - Disbursements during the year ended June 30, 2014 did not exceed the amounts budgeted.
- II-C-14 Entertainment Expense - We noted no disbursements for parties, banquets or other entertainment for employees that we believe may constitute an unlawful expenditure from public funds as defined in an Attorney General's opinion dated April 25, 1979.
- II-D-14 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- II-E-14 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.
- II-F-14 Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.  
  
The minutes of Council proceedings were published within fifteen days as required by Chapter 372.13(6) of the Code of Iowa.
- II-G-14 Business Transactions - We noted no business transactions between the City and City officials or employees.
- II-H-14 Deposits and Investments - We noted 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.
- II-H-15 Revenue Bonds - We noted no instances of noncompliance with the revenue bond resolutions.
- II-H-16 Urban Renewal Annual Report - We noted no instances of noncompliance with the report requirements.

CITY OF PARKERSBURG  
PARKERSBURG, IOWA

Audit Staff

This audit was performed by:

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