

City of Clive

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS**

June 30, 2015

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**City of Clive
OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term expires</u>
Scott Cirksena	Mayor	December 2017
John Edwards	Council Member	December 2015
Eric Klein	Council Member	December 2017
Ted Weaver	Council Member	December 2015
Michael McCoy	Council Member	December 2017
Susan Judkins	Council Member	December 2015
Dennis Henderson	City Manager	Indefinite
Joyce Cortum	City Clerk/Treasurer	Indefinite
Kristina Stanger	Attorney	Indefinite
Mary Funk	Assistant Attorney	Indefinite
Ryan Leemkuil	Prosecutor	Indefinite



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Clive, Iowa, as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the contents page of this report.

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. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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 Clive, Iowa as of June 30, 2015, 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 accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Emphasis of Matter

As disclosed in Note 6 to the financial statements, the City adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68 *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. 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 the City of Clive's basic financial statements. The financial statements for the nine years ended June 30, 2014 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 6 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 auditing standards generally accepted in 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, the budgetary comparison information, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions on pages 6 through 11 and 37 through 43, 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 November 15, 2015 on our consideration of the City'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 the City's internal control over financial reporting and compliance.


DENMAN & COMPANY, LLP

West Des Moines, Iowa
November 15, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Clive (City) 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, 2015. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- The City's governmental activities' receipts increased 14.4%, or approximately \$3,809,000, from fiscal year 2014 (FY14). Property tax increased approximately \$238,000 and bond proceeds increased approximately \$4,505,000.
- The City's governmental activities' disbursements decreased 29.9%, or approximately \$11,360,000, from FY14. Debt service on refunded bonds decreased approximately \$7,488,000 and capital projects disbursements decreased approximately \$1,956,000.
- The City's total cash basis net position at June 30, 2015 increased 22.6%, or approximately \$6,534,000, from June 30, 2014. Of this amount, the assets of the governmental activities increased approximately \$5,663,000 and the assets of the business type activities increased by approximately \$871,000.

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 Statements 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 financial statement by providing information about the most significant funds.

Notes to the 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 and the City's proportionate share of the net pension liability and related contributions.

Supplementary Information provides detailed information about the nonmajor governmental funds and proprietary funds, a schedule of various capital projects 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 U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers 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 Cash Basis Statement of Activities and Net Position reports information which helps answer this question.

The Cash Basis 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, 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 three kinds of funds:

1. Governmental funds account for most of the City's basic services. They focus on how money flows into and out of the funds and the balances at year-end that are available for spending. 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 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 include a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

2. Proprietary funds account for the City's Enterprise Funds and the Internal Service Fund. Enterprise Funds are used to report business type activities. The City maintains four Enterprise Funds to provide separate information for the water, sewer, storm water and water utility deposits funds. The water, sewer and storm water are 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 propriety funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

3. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the City's own programs. The City of Clive has only agency funds to report within the Fiduciary Fund category.

Reconciliations between the government-wide statements 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 basis net position of governmental activities increased from a year ago, increasing from \$20.99 million to \$26.65 million. The analysis that follows focuses on the changes in cash basis net position of governmental activities.

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

	<u>Year ended June 30</u>	
	<u>2015</u>	<u>2014</u>
Receipts:		
Program receipts:		
Charges for service	\$ 2,908	\$ 3,536
Operating grants, contributions and restricted interest	1,912	1,751
Capital grants, contributions and restricted interest	980	1,223
General Receipts:		
Property tax	12,008	11,770
Tax increment financing	3,371	3,547
Other City taxes	1,083	973
Utility franchise fees	1,247	1,292
Unrestricted investment earnings	21	19
Bond proceeds	6,496	1,991
Other general receipts	<u>307</u>	<u>422</u>
Total receipts	<u>30,333</u>	<u>26,524</u>
Disbursements:		
Public safety	6,221	7,680
Public works	3,128	2,924
Health and social services	25	13
Culture and recreation	3,236	3,441
Community and economic development	2,024	2,168
General government	2,402	2,439
Debt service	6,246	6,533
Debt service on refunded bonds	295	7,783
Capital projects	<u>3,041</u>	<u>4,997</u>
Total disbursements	<u>26,618</u>	<u>37,978</u>
Change in cash basis net position before transfers	3,715	(11,454)
Transfers, net	<u>1,948</u>	<u>2,945</u>
Change in cash basis net position	5,663	(8,509)
Cash basis net position beginning of year	<u>20,987</u>	<u>29,496</u>
Cash basis net position end of year	<u>\$ 26,650</u>	<u>\$ 20,987</u>

The City's total receipts for governmental activities increased by approximately 14.4 percent or \$3,809,000. The total cost for all governmental activities decreased 29.9 percent or \$11,360,000. The increase in receipts was primarily due to an increase in bond proceeds of \$4,505,000. The decrease in disbursements was primarily due to the City refunding less general obligation bonds in the current fiscal year.

The City's property tax rates remained about the same for fiscal year 2015. Property tax collections from increased valuations increased the City's property tax receipts by approximately \$62,000 in fiscal year 2015.

The cost of all governmental activities, before the payment on refunded bonds, this year was \$26.32 million compared to \$30.19 million last year. However, as shown in the Statement of Activities and Net Position on pages 13 and 14, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$20.52 million because some of the cost was paid by those directly benefited from the programs (\$2,908,000) or by other governments and organizations that subsidized certain programs with grants and contributions (\$2,892,000). Overall, the City's governmental programs receipts, including intergovernmental aid and fees for services, decreased in 2015 from approximately \$6,510,000 to approximately \$5,800,000, principally due to a decrease in fines and fees.

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

	<u>Year ended June 30</u>	
	<u>2015</u>	<u>2014</u>
Receipts:		
Program receipts:		
Charges for service:		
Water	\$ 3,967	\$ 5,120
Sewer	2,466	2,294
Storm water	791	739
Other	46	55
General Receipts:		
Other general receipts	<u>417</u>	<u>213</u>
Total receipts	<u>7,687</u>	<u>8,421</u>
Disbursements:		
Water	2,120	2,068
Sewer	2,396	2,193
Storm water	320	330
Other	<u>32</u>	<u>33</u>
Total disbursements	<u>4,868</u>	<u>4,624</u>
Change in cash basis net position, before transfers	2,819	3,797
Transfers, net	<u>(1,948)</u>	<u>(2,945)</u>
Change in cash basis net position	871	852
Cash basis net position beginning of year	<u>7,868</u>	<u>7,016</u>
Cash basis net position end of year	<u>\$ 8,739</u>	<u>\$ 7,868</u>

Total business type activities receipts for the fiscal year were approximately \$7.69 million compared to approximately \$8.42 million last year. This decrease was due primarily to decreased fees collected for services. The cash balance increased by approximately \$871,000 from the prior year. Total disbursements for the fiscal year increased by approximately 5.3 percent to a total of approximately \$4.87 million partly because of increased payments to the Des Moines Waterworks Reclamation Authority.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Clive completed the year, its governmental funds reported a combined fund balance of approximately \$25.65 million, an increase of approximately \$5.57 million above last year's total of approximately \$20.08 million. The following are the major reasons for the changes in cash balances from the prior year for the City's major funds.

- The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the cash balance of the General Fund was \$4,240,048, an increase of \$456,875 from the prior year. Most of this increase was due to increased receipts.
- The Urban Renewal Tax Increment Fund was established to account for major urban renewal projects within the City's TIF districts. At the end of the fiscal year, the cash balance was \$130,033, a decrease of \$541,489 for the previous year. The decrease was the result of an increase in debt service payments for various development projects with the TIF district. Any debt will be paid off with incremental property taxes generated from the increased taxable valuation in the district.
- The Debt Service Fund cash balance increased by \$3,545,825 to \$7,735,681. This increase was due to refunding bond proceeds of \$3,445,907.
- The Capital Projects Fund was established to account for all resources used in the acquisition and construction of capital facilities with the exception of those that are financed through Enterprise Funds. At the end of the fiscal year, the cash balance was \$11,597,175, an increase of \$1,857,560 from the prior year. Bond proceeds of \$2,658,250 was the primary reason for the increase.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

The cash balance of the Enterprise, Sewer Fund decreased by \$4,048 to \$2,430,624 due primarily to decreased receipts from sewer charges.

The cash balance of the Enterprise, Water Fund increased by \$690,564 to \$5,018,042 due primarily to decreased operating costs.

The cash balance of the Enterprise, Storm Water Fund increased by \$169,135 to \$987,849 due primarily to increased receipts.

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the City Council annually adopts a budget following required public notice and hearings for all funds. Although the budget document presents functional disbursements by fund, the legal level of control is at the aggregated function level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Over the course of the year, the City amended its operating budget once. The amendment was approved on May 28, 2015 to provide for additional expenditures in certain City departments. The City had sufficient cash balances to absorb these additional costs.

The City's receipts were \$745,000 more than budgeted. This was primarily due to the City receiving more in intergovernmental than anticipated and some miscellaneous receipts were not included in budgeted estimates, even after the amendments.

Even with the budget amendments, total disbursements were \$3,420,871 less than the amended budget. The actual disbursements for the public safety, capital projects and business type activities were \$444,912, \$1,171,895 and \$1,160,720, respectively, less than the amended budget. This was primarily due to capital projects not progressing as originally budgeted.

DEBT ADMINISTRATION

At June 30, 2015, the City had \$39,680,000 of general obligation bonds outstanding compared to \$38,665,000 of bonds at the end of last year.

Debt increased as a result of new bond issuances.

The Constitution of the State of Iowa limits the amount of general obligation debt that cities can issue to 5 percent of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of \$39.68 million along with developer rebate agreements of approximately \$4.3 million are well below the City's \$99.98 million legal debt limit.

More detailed information about the City's long-term liabilities is presented in Notes 3, 4 and 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials and citizens considered many factors when setting the 2016 fiscal year budget, tax rates and fees that will be charged for various City activities. One of those factors is the economy. The City's population growth since the 2000 census is estimated at 12.90 percent. Unemployment in the greater Des Moines area stands at 3.4 percent. This compares with the state unemployment rate of 3.7 percent.

The U.S. Consumer Price Index (CPI) is a measure of the changes in retail prices of a fixed market grouping of consumer goods and services. The CPI-U for June 2015 was 238.638. For the 12 month period that ended in June, 2015, the CPI-U increased 0.1 percent.

These indicators were taken into account when adopting the budget for 2016. Total receipts are expected to decrease 11.54 percent. Budgeted disbursements are expected to decrease by approximately \$5,900,000.

If these estimates are realized, the City's total budgeted cash balance is expected to decrease about \$5.8 million by the close of fiscal year 2016.

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 any questions about this report or need additional financial information, contact Joyce Cortum, City Clerk, 1900 NW 114th St., Clive, Iowa 50325.

BASIC FINANCIAL STATEMENTS

City of Clive
STATEMENT OF ACTIVITIES AND NET POSITION - CASH BASIS
As of and for the year ended June 30, 2015

FUNCTIONS/PROGRAMS	Program receipts			
	Disbursements	Charges for service	Operating grants, contributions, and restricted interest	Capital grants, contributions, and restricted interest
Governmental activities				
Public safety	\$ 6,220,993	\$ 890,892	\$ 14,287	\$ -
Public works	3,128,262	778,409	1,606,218	-
Health and social services	24,868	-	-	-
Culture and recreation	3,236,352	695,522	84,876	-
Community and economic development	2,023,832	439,359	95,882	-
General government	2,401,717	104,161	64,414	-
Debt service	6,246,334	-	46,659	-
Capital projects	<u>3,040,780</u>	<u>-</u>	<u>-</u>	<u>979,522</u>
Total governmental activities	<u>26,323,138</u>	<u>2,908,343</u>	<u>1,912,336</u>	<u>979,522</u>
Business type activities				
Water	2,119,566	3,966,414	-	-
Sewer	2,396,264	2,466,084	-	-
Storm water	320,187	790,891	-	-
Other	<u>31,785</u>	<u>46,420</u>	<u>-</u>	<u>-</u>
Total business type activities	<u>4,867,802</u>	<u>7,269,809</u>	<u>-</u>	<u>-</u>
Total	<u>\$31,190,940</u>	<u>\$10,178,152</u>	<u>\$ 1,912,336</u>	<u>\$ 979,522</u>

GENERAL RECEIPTS AND TRANSFERS

Property and other city tax levied for
 General purposes
 Debt service
Tax increment financing
Hotel/motel tax
Utility franchise fees
Unrestricted interest on investments
Bond proceeds (including premiums)
Proceeds from refunding bonds
Payment of refunded bonds
Miscellaneous
Sale of capital assets
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
 Expendable
 Streets
 Urban renewal purposes
 Debt service
 Other purposes
Unrestricted

 Total cash basis net position

**Net (disbursements) receipts and
changes in cash basis net position**

<u>Governmental activities</u>	<u>Business type activities</u>	<u>Total</u>
\$ (5,315,814)	\$ —	\$ (5,315,814)
(743,635)	—	(743,635)
(24,868)	—	(24,868)
(2,455,954)	—	(2,455,954)
(1,488,591)	—	(1,488,591)
(2,233,142)	—	(2,233,142)
(6,199,675)	—	(6,199,675)
<u>(2,061,258)</u>	<u>—</u>	<u>(2,061,258)</u>
<u>(20,522,937)</u>	<u>—</u>	<u>(20,522,937)</u>
—	1,846,848	1,846,848
—	69,820	69,820
—	470,704	470,704
—	14,635	14,635
<u>—</u>	<u>2,402,007</u>	<u>2,402,007</u>
<u>(20,522,937)</u>	<u>2,402,007</u>	<u>(18,120,930)</u>
10,082,385	—	10,082,385
1,925,618	—	1,925,618
3,370,578	—	3,370,578
1,083,588	—	1,083,588
1,246,878	—	1,246,878
20,914	—	20,914
3,050,036	—	3,050,036
3,445,907	—	3,445,907
(295,000)	—	(295,000)
230,353	416,631	646,984
76,531	—	76,531
<u>1,948,352</u>	<u>(1,948,352)</u>	<u>—</u>
<u>26,186,140</u>	<u>(1,531,721)</u>	<u>24,654,419</u>
5,663,203	870,286	6,533,489
<u>20,987,127</u>	<u>7,868,470</u>	<u>28,855,597</u>
<u>\$26,650,330</u>	<u>\$ 8,738,756</u>	<u>\$35,389,086</u>
\$ 3,017,001	\$ —	\$ 3,017,001
130,033	—	130,033
7,735,681	—	7,735,681
10,561,910	302,241	10,864,151
<u>5,205,705</u>	<u>8,436,515</u>	<u>13,642,220</u>
<u>\$26,650,330</u>	<u>\$ 8,738,756</u>	<u>\$35,389,086</u>

City of Clive
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCES
GOVERNMENTAL FUNDS
As of and for the year ended June 30, 2015

	<u>General</u>	<u>Special revenue Urban Renewal Tax Increment</u>	<u>Debt Service</u>
RECEIPTS			
Property tax	\$ 8,497,086	\$ -	\$ 1,925,618
Tax increment financing	-	3,370,578	-
Other City tax	2,330,466	-	-
Licenses and permits	440,782	-	-
Use of money and property	140,411	-	46,659
Intergovernmental	239,280	-	-
Charges for service	1,898,790	-	-
Special assessments	30,104	-	-
Miscellaneous	584,008	-	-
Total receipts	<u>14,160,927</u>	<u>3,370,578</u>	<u>1,972,277</u>
DISBURSEMENTS			
Operating			
Public safety	5,637,142	-	-
Public works	1,303,893	-	-
Health and social services	24,868	-	-
Culture and recreation	2,947,545	-	-
Community and economic development	787,884	1,140,031	-
General government	1,718,545	-	-
Debt service	-	2,928,389	3,317,945
Capital projects	-	-	-
Total disbursements	<u>12,419,877</u>	<u>4,068,420</u>	<u>3,317,945</u>
Excess (deficiency) of receipts over (under) disbursements	<u>1,741,050</u>	<u>(697,842)</u>	<u>(1,345,668)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	34,950	356,836
Payments of refunding bonds	-	-	(295,000)
Proceeds from refunding bonds	-	-	3,445,907
Sale of capital assets	7,594	-	-
Operating transfers in	151,560	152,361	1,383,750
Operating transfers out	(1,443,329)	(30,958)	-
Total other financing sources (uses)	<u>(1,284,175)</u>	<u>156,353</u>	<u>4,891,493</u>
Change in cash balances	456,875	(541,489)	3,545,825
CASH BALANCES , beginning of year	<u>3,783,173</u>	<u>671,522</u>	<u>4,189,856</u>
CASH BALANCES , end of year	<u>\$ 4,240,048</u>	<u>\$ 130,033</u>	<u>\$ 7,735,681</u>
CASH BASIS FUND BALANCES			
Restricted for			
Debt service	\$ -	\$ -	\$ 7,735,681
Urban renewal purposes	-	130,033	-
Streets	-	-	-
Other purposes	-	-	-
Assigned for Public Arts Maintenance	9,750	-	-
Unassigned	<u>4,230,298</u>	<u>-</u>	<u>-</u>
Total cash basis fund balances	<u>\$ 4,240,048</u>	<u>\$ 130,033</u>	<u>\$ 7,735,681</u>

See Notes to Financial Statements.

<u>Capital Projects</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total</u>
\$ -	\$ 1,585,299	\$12,008,003
-	-	3,370,578
-	-	2,330,466
-	-	440,782
34,777	-	221,847
637,688	1,606,218	2,483,186
-	11,603	1,910,393
46,106	-	76,210
<u>260,951</u>	<u>74,091</u>	<u>919,050</u>
<u>979,522</u>	<u>3,277,211</u>	<u>23,760,515</u>
-	510,653	6,147,795
-	1,446,629	2,750,522
-	-	24,868
-	173,330	3,120,875
-	95,917	2,023,832
-	615,392	2,333,937
-	-	6,246,334
<u>3,040,780</u>	<u>-</u>	<u>3,040,780</u>
<u>3,040,780</u>	<u>2,841,921</u>	<u>25,688,943</u>
<u>(2,061,258)</u>	<u>435,290</u>	<u>(1,928,428)</u>
2,658,250	-	3,050,036
-	-	(295,000)
-	-	3,445,907
-	-	7,594
1,508,329	-	3,196,000
<u>(247,761)</u>	<u>(185,600)</u>	<u>(1,907,648)</u>
<u>3,918,818</u>	<u>(185,600)</u>	<u>7,496,889</u>
1,857,560	249,690	5,568,461
<u>9,739,615</u>	<u>1,698,669</u>	<u>20,082,835</u>
<u>\$11,597,175</u>	<u>\$ 1,948,359</u>	<u>\$25,651,296</u>
\$ -	\$ -	\$ 7,735,681
-	-	130,033
2,029,264	987,737	3,017,001
9,601,288	960,622	10,561,910
-	-	9,750
<u>(33,377)</u>	<u>-</u>	<u>4,196,921</u>
<u>\$11,597,175</u>	<u>\$ 1,948,359</u>	<u>\$25,651,296</u>

See Notes to Financial Statements.

City of Clive
**RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
 CHANGES IN CASH BALANCES
 TO THE STATEMENT OF ACTIVITIES AND NET POSITION – CASH BASIS
 GOVERNMENTAL FUNDS
 As of and for the year ended June 30, 2015**

Total governmental funds cash balances (pages 15-16) \$25,651,296

***Amounts reported for governmental activities in Cash Basis Statement
 of Activities and Net Position are different because:***

The Internal Service Fund is used by management to charge the costs of partial self funding of the equipment replacement. The assets of the Internal Service Fund are included in governmental activities in the Cash Basis Statement of Net Position.

999,034

Cash basis net position of governmental activities (pages 13-14) \$26,650,330

Change in cash balances (pages 15-16) \$ 5,568,461

***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 equipment replacement to individual funds. The change on net position of the Internal Service Fund is reported with governmental activities.

94,742

Change in cash basis net position of governmental activities (pages 13-14) \$ 5,663,203

City of Clive
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCES
PROPRIETARY FUNDS
As of and for the year ended June 30, 2015

	Enterprise Funds					Internal Service Fund Equipment Replacement
	Water	Sewer	Storm Water	Nonmajor	Total	
OPERATING RECEIPTS						
Charges for service	\$3,966,414	\$2,466,084	\$ 790,891	\$ 46,420	\$7,269,809	\$ —
OPERATING DISBURSEMENTS						
Public safety	—	—	—	—	—	73,198
Public works	—	—	—	—	—	377,740
Culture and recreation	—	—	—	—	—	115,477
General government	—	—	—	—	—	67,780
Business type activities	<u>2,119,566</u>	<u>2,396,264</u>	<u>320,187</u>	<u>31,785</u>	<u>4,867,802</u>	<u>—</u>
Total operating disbursements	<u>2,119,566</u>	<u>2,396,264</u>	<u>320,187</u>	<u>31,785</u>	<u>4,867,802</u>	<u>634,195</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>1,846,848</u>	<u>69,820</u>	<u>470,704</u>	<u>14,635</u>	<u>2,402,007</u>	<u>(634,195)</u>
NONOPERATING RECEIPTS						
Sale of capital assets	—	—	—	—	—	68,937
Miscellaneous	<u>330,899</u>	<u>85,732</u>	<u>—</u>	<u>—</u>	<u>416,631</u>	<u>—</u>
Total nonoperating receipts	<u>330,899</u>	<u>85,732</u>	<u>—</u>	<u>—</u>	<u>416,631</u>	<u>68,937</u>
Excess (deficiency) of receipts over (under) disbursements	2,177,747	155,552	470,704	14,635	2,818,638	(565,258)
OPERATING TRANSFERS IN	—	—	100,391	—	100,391	660,000
OPERATING TRANSFERS OUT	<u>(1,487,183)</u>	<u>(159,600)</u>	<u>(401,960)</u>	<u>—</u>	<u>(2,048,743)</u>	<u>—</u>
Net transfers	<u>(1,487,183)</u>	<u>(159,600)</u>	<u>(301,569)</u>	<u>—</u>	<u>(1,948,352)</u>	<u>660,000</u>
CHANGE IN CASH BALANCES	690,564	(4,048)	169,135	14,635	870,286	94,742
CASH BALANCES , beginning of year	<u>4,327,478</u>	<u>2,434,672</u>	<u>818,714</u>	<u>287,606</u>	<u>7,868,470</u>	<u>904,292</u>
CASH BALANCES , end of year	<u>\$5,018,042</u>	<u>\$2,430,624</u>	<u>\$ 987,849</u>	<u>\$ 302,241</u>	<u>\$8,738,756</u>	<u>\$ 999,034</u>
CASH BASIS FUND BALANCES						
Restricted	\$ —	\$ —	\$ —	\$ 302,241	\$ 302,241	\$ —
Unrestricted	<u>5,018,042</u>	<u>2,430,624</u>	<u>987,849</u>	<u>—</u>	<u>8,436,515</u>	<u>999,034</u>
Total cash basis fund balances	<u>\$5,018,042</u>	<u>\$2,430,624</u>	<u>\$ 987,849</u>	<u>\$ 302,241</u>	<u>\$8,738,756</u>	<u>\$ 999,034</u>

City of Clive
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
CHANGES IN CASH BALANCES
FIDUCIARY FUND
AGENCY FUND
As of and for the year ended June 30, 2015

Health reimbursement account

ADDITIONS

Interest

\$ 293

DEDUCTIONS

27,003

CHANGE IN CASH BALANCE

(26,710)

CASH BALANCES, beginning of year

84,272

CASH BALANCES, end of year

\$ 57,562

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Clive (the City) is a political subdivision of the State of Iowa located in Polk and Dallas Counties. It was first incorporated in 1956 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.

Reporting Entity

For financial reporting purposes, the City of Clive 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.

Excluded Component Units

The Clive Firefighters Association and the Clive Police Benevolent Association are component units of the City of Clive. The associations, separate legal entities, exist for the purpose of attracting funds to benefit the Fire and Police Departments, which serve the Clive area, and to disburse those funds in a manner that will benefit the Fire and Police Departments. The associations meet the definition of component units since the entities raise funds on behalf of the City. The financial statements of the Clive Firefighters Association and the Clive Police Benevolent Association have not been audited and these component units have not been presented in the accompanying primary government audited financial statements.

Jointly Governed Organization

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of The Des Moines Metro Waste Authority (Note 11), the Des Moines Area Regional Transit Authority, the City of West Des Moines and the City of Clive Joint Fire Station and Emergency Medical Services Facility (Note 5), the Metropolitan Planning Organization, the Convention Visitors Bureau, Bravo Greater Des Moines, Inc., Central Iowa Traffic Safety Task Force, Walnut Creek Watershed Management Authority and the E911 Service Board.

Joint Ventures

The City participates in a joint venture that provides goods or services to the citizenry of the City and meets the criteria of a joint venture because there is an ongoing financial interest or responsibility by the participating governments. The City is a member of the following joint venture: the Des Moines Metropolitan Wastewater Reclamation Authority (Note 4).

Basis of Presentation

Government-wide Financial Statement

The Statement of Activities and Net Position – Cash Basis reports information on all of the nonfiduciary activities of the City. For the most part, the effect of the 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 Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Government-wide Financial Statement (continued)

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

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 category. Unrestricted net position often has constraints on cash balances imposed by management, which can be removed or modified.

The Statement of Activities and Net Position – Cash Basis demonstrates the degree to which the direct disbursements of a given function 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 governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as nonmajor governmental and proprietary funds, respectively.

The City reports the following major governmental funds:

General Fund

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

Special Revenue

The Urban Renewal Tax Increment Fund is used to account for tax increment financing collections and the repayment of tax increment financing indebtedness.

Debt Service Fund

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

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Fund Financial Statements (continued)

Capital Projects Fund

The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities with the exception of those that are financed through enterprise funds.

The City reports the following major proprietary funds:

Water Fund

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

Sewer Fund

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

Storm Water

The Enterprise, Storm Water Fund accounts for the receipts and disbursements of the City's storm water system.

The City also reports the following additional funds:

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 on a cost reimbursement basis. This is composed of the Equipment Replacement Fund. This proprietary fund is reported with governmental activities in the government wide statement.

Fiduciary Fund accounts for assets held by the City in a trustee capacity or as an agent on behalf of others. The City's Fiduciary Fund consists of:

Agency Funds: Are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The City has the following agency fund:

Health Reimbursement Account: To account for contributions and funds for eligible City employees for future use as medical costs.

Measurement Focus and 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.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general receipts. Thus, when program disbursements are paid, there are 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, and then by general receipts.

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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 nonoperating receipts and disbursements.

Governmental Cash Basis Fund Balances

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

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 are imposed by law through constitutional provisions or enabling legislation.

Assigned

Amounts the City Council intends to use for specific purposes.

Unassigned

All amounts not included in other spendable classifications.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2015, disbursements did not exceed the amounts budgeted in any function.

NOTE 2 CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2015, 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.

**City of Clive
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 CASH AND POOLED INVESTMENTS (continued)

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.

At June 30, 2015, the City had \$90,250 in public funds money market accounts which are not covered by the state of Iowa insurance wrapper. The funds are a permissible investment according to Iowa state statutes and invests primarily in obligations of the U.S. Government and its agencies as well as high quality short term debt instruments of U.S. companies and financial institutions. The fund is rated AAAM by Standard and Poor's rating agency.

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$904,544 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The City's investment in the Iowa Public Agency Investment Trust is unrated.

Interest Rate Risk

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

NOTE 3 LONG-TERM DEBT

The following is a summary of the changes in the outstanding long-term debt of the City for the year ended June 30, 2015:

	<u>Balance June 30, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2015</u>
Governmental activities				
General obligation bonds	\$38,665,000	\$6,420,000	\$5,405,000	\$39,680,000

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

<u>Year ending June 30</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 8,800,000	\$ 977,341	\$ 9,777,341
2017	9,700,000	753,216	10,453,216
2018	4,945,000	504,438	5,449,438
2019	4,380,000	403,507	4,783,507
2020	4,470,000	306,547	4,776,547
2021-2025	6,700,000	583,655	7,283,655
2026-2028	<u>685,000</u>	<u>35,938</u>	<u>720,938</u>
Total	<u>\$39,680,000</u>	<u>\$3,564,642</u>	<u>\$43,244,642</u>

The City paid \$1,022,599 in interest on debt obligations for the year ended June 30, 2015. Total principal paid on debt for the year ended June 30, 2015 was \$5,405,000. Interest rates on debts range from 0.80% to 4.00%. Bonds to be called per crossover refunding, detailed below, are reported as maturing in the year they will be recalled in the above maturity schedule.

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 3 LONG-TERM DEBT (continued)

Crossover Refunding

On May 1, 2014, the City deposited \$4,000,102 of the unspent portion of the 2009B urban renewal bonds into a trust for a crossover refunding of \$4,105,000 of the essential corporate purpose 2008B bonds with interest rates ranging between 2.50% and 3.60%. The City used the funds to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for future debt service on the refunded portion of these bonds at their callable dates. The bond issues will be recalled on June 1, 2017.

At June 30, 2015 the City had \$4,036,998 in the escrow account. The refunding reduced total debt service payments over the next 7 years by approximately \$467,100.

On April 9, 2015 the City issued \$3,490,000 in general obligation urban renewal refunding bonds with interest rates ranging between 0.80% and 1.50%. The City issued the bonds for a crossover refunding of \$3,410,000 of the urban renewal 2008B bonds with interest rates ranging between 3.50% and 3.85%. The City used the net proceeds to purchase U.S. governmental securities. These securities were deposited in an irrevocable trust to provide for future debt service on the refunded portion of these bonds at their callable dates. The 2008B bond issue will be recalled on June 1, 2016.

At June 30, 2015 the City had \$3,447,204 in the escrow account. The refunding will reduce total debt service payments over the next few years by approximately \$214,130.

NOTE 4 JOINT VENTURES AND COMMITMENTS

The City is a participating community in the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) joint venture. This joint venture provides primary and secondary treatment of sewer flows for the participating communities. The Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) was effective on July 1, 2004. A second amendment to the agreement was approved by the City on May 16, 2014. This agreement amended and restated the previous Integrated Community Area (I.C.A.) Agreement to provide continued operation, improvements and expansion. The WRA Agreement establishes the WRA as a separate legal entity with its own Board, creates an independent governance structure, establishes an independent bonding authority for the WRA and provides a framework for additional communities to participate.

Annually, the WRA establishes an allocation to all participating communities based on operations, maintenance, debt service and reserve requirements. Allocations are based on wastewater reclamation facility flows and are adjusted prospectively for differences in budgeted flows and actual flows.

The City of Clive retains an ongoing financial responsibility to the WRA since it is obligated in some manner for the debts of the joint venture through the annual allocation. Although the debt of the WRA is to be paid solely and only from WRA revenues, the participating communities in the joint venture cannot withdraw from the joint venture while any of the bonds issued during the time the communities were a participating community are still outstanding. The WRA Sewer Revenue Bonds Series 2004A, 2004B, 2006 and the 2008 and 2009 State Revolving Loan Funds include provisions that place the WRA debt service requirements on the same parity and rank as other debts of the participating communities.

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 4 JOINT VENTURES AND COMMITMENTS (continued)

The WRA Sewer Revenue Bonds Series 2004B and 2006 bonds were issued for capital expansion. The WRA Agreement requires the debt service on these bonds and loans to be allocated to the participating communities based on the WRA flows of the core communities and expansion communities of each calendar year. As of June 30, 2015, the Series 2004B/2013 bonds had a balance of \$54,170,000 and the City of Clive's estimated future allocated based on the WRA flows is currently \$3,018,199, or 5.57%. As of June 30, 2015, the Series 2006 bonds had a balance of \$32,955,000 and the City of Clive's estimate future allocation based on the WRA Flows is currently \$1,920,931 or 5.83%. The State Revolving Loans are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2015 the State Revolving Loans had a balance of \$262,051,730 and the City of Clive's estimated future allocation based on the WRA flows is currently \$14,035,304 or 5.36%. The State Revolving Loans that existed prior to the 2004 agreement are to be paid by the participating communities based on the existing allocations under the prior I.C.A. agreement. As of June 30, 2015, the WRA had \$2,105,000 in outstanding pre 2004 State Revolving Loans, of which \$48,626 or 2.31% of future principal debt service is a commitment of the City of Clive.

The WRA Agreement does not provide for the determination of an equity interest for the participating communities. Withdrawing from the joint venture is a forfeit of all reversionary interest and no compensation will be paid. Pursuant to the new agreement, the City's investment in the joint venture under the I.C.A. Agreement has been contributed to the new WRA organization. The City retains a reversionary interest percentage in the net position of the WRA redeemable only in the event the WRA is dissolved. During the year ended June 30, 2015 the City paid the WRA \$1,614,395 for operations, maintenance, equipment replacement and debt service payments.

The WRA issues separate financial statements that may be obtained at 3000 Vandalia Road, Des Moines, Iowa 50317-1346.

WRA Facility Cost Reimbursement Agreements

The Cities of Clive and West Des Moines are parties to the WRA Agreement dated February 19, 1979, which imposes costs on both entities as users of the Des Moines WRA Region Wastewater Treatment Plant and the sewer lines and facilities comprising the WRA system. The City of Clive has made certain portions of its sanitary sewer facilities connected to the WRA system available to the City of West Des Moines.

The City of West Des Moines is obligated to reimburse the City of Clive based upon their sewer usage. During the fiscal year ended June 30, 2015, the City of Clive received reimbursement of \$85,732.

NOTE 5 JOINT FIRE STATION AND EMERGENCY MEDICAL SERVICES FACILITY

The joint facility with the City of West Des Moines was established for the purpose of constructing, operating and managing a fire station and emergency medical services facility. The joint facility was developed as the result of a 28E agreement between the City of Clive and the City of West Des Moines. The City of West Des Moines was designated the "Lead Agency" and, as such, is responsible for accounting for all disbursements relating to the project.

During the year ended June 30, 2015, the City paid a share of operating and administration costs. During the year ended June 30, 2015, these costs totaled \$716,175.

In accordance with the Joint Facility Agreement, legal title to the joint facility is held by the City of West Des Moines for the benefit and use of the communities.

Complete financial statements for the City of West Des Moines can be obtained from the City Clerk's office at the City of West Des Moines.

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 6 PENSION AND RETIREMENT SYSTEMS

Plan Description

IPERS membership is mandatory for employees of the City, except for those covered by another retirement system. Employees of the City are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

Protection occupation members may retire at normal retirement age which is generally at age 55. Protection occupation members may retire any time after reaching age 50 with 22 or more years of covered employment.

- 60% of average salary after completion of 22 years of service, plus an additional 1.5% of average salary for years of service greater than 22 but not more than 30 years of service.
- The member's highest three-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

**City of Clive
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 PENSION AND RETIREMENT SYSTEMS (continued)

Contributions

Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the City contributed 8.93 percent for a total rate of 14.88 percent. Protection occupation members contributed 6.76 percent of pay and the City contributed 10.14 percent for a total rate of 16.90 percent.

The City's contributions to IPERS for the year ended June 30, 2015 were \$538,113.

Collective Net Pension Liabilities, Collective Pension Expense, and Collective Deferred Outflows of Resources and Collective Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City's liability for its proportionate share of the collective net pension liability totaled \$2,446,069. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the collective net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. The following table summarizes the change in the City's proportionate share:

	June 30		Change
	2014	2013	
City's proportionate share	0.061677%	0.070835%	-0.009157%

For the year ended June 30, 2015, the City's collective pension expense, collective deferred outflows and collective deferred inflows totaled \$221,523, \$660,846 and \$1,426,539, respectively.

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

**City of Clive
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 PENSION AND RETIREMENT SYSTEMS (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	<u>1</u>	(0.69)
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
City's proportionate share of the net pension liability (asset)	<u>\$5,554,863</u>	<u>\$2,446,069</u>	<u>\$ (177,121)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

**City of Clive
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 PENSION AND RETIREMENT SYSTEMS (continued)

Municipal Fire and Police Retirement System of Iowa

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

Plan members are required to contribute 9.40% of earnable compensation and the City's contribution rate, based upon an actuarially determined nominal contribution rate, is 30.12% of earnable compensation. Contribution requirements are established by state statute. The City's contributions to the Plan for the years ended June 30, 2015, 2014 and 2013 were \$471,114, \$461,754 and \$398,951, respectively, which met the required minimum contribution for each year.

Deferred Compensation

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, as amended on August 20, 1996. The plan, available to all full time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is held in trust for the exclusive benefit of participants (or their beneficiaries in the event of the participant's death) until termination, retirement, death, or an unforeseeable emergency. The City provides neither administrative service to the plan nor investment advice for the plan.

NOTE 7 COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation, sick and other hours for subsequent use or for payment upon termination or retirement. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation, sick time, comp time and fluctuating holiday termination payments payable to employees at June 30, 2015, primarily relating to the General Fund, is as follows:

<u>Type of benefit</u>	<u>Amount</u>
Vacation	\$ 272,323
Sick leave	122,971
Other	60,421

Sick leave is payable when used or upon retirement if the employee is over fifty-five years of age. If paid upon retirement, payment is made for up to 50 percent of accrued sick leave, not to exceed 360 hours. Compensated absences are not paid at death. This liability has been computed based on rates of pay in effect at June 30, 2015.

NOTE 8 DEVELOPMENT AGREEMENTS

The City has entered into various development agreements for urban renewal projects. These agreements call for the City to make economic development tax rebate payments each year out of incremental taxes received by the City. These arrangements run for 5 to 10 years. Payments totaling \$1,140,031 were made during the year ended June 30, 2015 under these agreements. Estimated amounts to be paid in future years on development agreements totaled approximately \$4.3 million.

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 9 CONSTRUCTION CONTRACTS

The City has entered into various construction contracts totaling approximately \$2,243,952. The unpaid contract balance as of June 30, 2015 totaled approximately \$969,819 which will be paid as work on the projects progresses.

NOTE 10 RISK MANAGEMENT

The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 727 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300 percent of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's contributions to the Pool for the year ended June 30, 2015 were \$196,868.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the City's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The City does not disclose a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2015, no liability has been disclosed in the City's financial statements. As of June 30, 2015, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 10 RISK MANAGEMENT (continued)

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The City also carries commercial insurance purchased from other insurers for coverage associated with worker's compensation. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 JOINTLY GOVERNED ORGANIZATIONS AND COMMITMENTS

Metro Waste Authority

The City, in conjunction with various other municipalities, has created the Metro Waste Authority. The Organization was established for the primary purpose of providing for the economic disposal, or collection and disposal, of solid waste produced or generated by each participant. In the event of withdrawal or dissolution, the net assets of the Organization will be prorated among the municipalities. The Organization is governed by a board composed of an elected representative of the governing body of each participating governmental jurisdiction. During the year ended June 30, 2015, the City paid \$189,629 to the Metro Waste Authority.

Convention Visitors Bureau (CVB)

An agreement was entered into by the City of Clive, various other metro area cities, and the County of Polk to establish an area-wide effort for the promotion of tourism and convention activities in the Greater Des Moines metropolitan area. Each government agrees to remit two-sevenths of their hotel/motel tax revenues for use by the CVB. During the fiscal year ended June 30, 2015, the City of Clive remitted \$309,597 to the CVB.

Des Moines Metropolitan Planning Organization (MPO)

The City, in conjunction with three counties and various other metro cities has created the Des Moines Metropolitan Planning Organization (MPO). The MPO is organized as a separate legal entity pursuant to the provisions of Chapter 28E of the Code of Iowa, with the powers and purposes to carry out transportation planning activities for the metropolitan area. The City of Clive paid the MPO \$15,447 its portion of the services during the year ended June 30, 2015.

Westcom

In August of 2000 the City entered into a joint operation of a centralized dispatch center (Westcom) with the cities of Urbandale and West Des Moines to share certain costs. Westcom was established as an undivided interest ownership arrangement, whereby titles to assets in Westcom are held individually by the City and the other two Des Moines suburbs. The City showed expenditures of \$248,876 and has an undivided interest in assets of the operation, net of depreciation, totaling \$67,099 as of June 30, 2015. Westcom does not issue separate financial statements. Their operations are included in the financial statements of the City of West Des Moines.

City of Clive
NOTES TO FINANCIAL STATEMENTS

NOTE 11 JOINTLY GOVERNED ORGANIZATIONS AND COMMITMENTS (continued)

Iowa Events Center

An agreement was entered into by the City and Polk County, Iowa to commit City funding for the financing of the construction of the Iowa Events Center Project in Des Moines. The City is to provide a grant of \$625,000 to be used by the County for the project. The funds were originally to be advanced over 10 years with payments beginning the fiscal year ended June 30, 2004. On September 22, 2005, this agreement was amended to decrease the annual payments and extend the period of payment through 2019. Payments totaling \$31,250 were paid during the year ended June 30, 2015.

NOTE 12 EMPLOYEE HEALTH INSURANCE PLAN

The City self-funds a portion of health insurance deductibles for its employees. The plan is funded by both employee and City contributions and is administered by Employee Benefit Systems (EBS) under an agreement which is subject to automatic renewal. The City self-funds between \$430 per single coverage and \$1,161 per family coverage, with employees contributing the first \$20 to \$55, respectively. Administrative service fees and premiums are paid monthly from the City's operating funds to a separate account administered by EBS. During the year ended June 30, 2015, the City paid \$1,233,317 to the account. At June 30, 2015, the account balance was \$182,919. The activity in this account is recorded in the City's Special Revenue, Road Use Tax, Employee Benefit and Enterprise, Water, Sewer and Storm Water Funds.

NOTE 13 POST-EMPLOYMENT BENEFITS

All full-time employees who retire or become disabled are offered the following post-employment benefit options:

Health insurance – For employees wishing to voluntarily retire prior to the age of 65 who are a minimum of 55 years of age at the time of retirement; have at least 20 years of service with the City; and wish to remain on the City employee health insurance plan, the City will assist the employee with the cost of single coverage health insurance until the retiree reaches the age eligible to receive Medicare, according to a schedule based upon length of continued regular full-time service to the City.

For months of service not totaling a full year, the percentage amount of single coverage paid by the City will be prorated by full month. The City will also provide \$10,000 in life insurance coverage until age eligible. Dental and vision coverage can be continued at the expense of the employee.

After the retiree reaches the Medicare eligible age, any dependent the retiree has covered under the City employee health plan may continue his/her coverage under the City's plan for three more years, or until the dependent reaches the Medicare eligible age, whichever occurs first. The retiree is responsible for expenses related to the policy.

Life insurance - The option of converting the employee's City-paid policy from term insurance to whole life insurance at the individual's expense with the City's life insurance carrier.

Long-term disability - The option of converting the employee's City-paid group policy to a personal policy at the individual's expense with the City's long-term disability insurance carrier.

The above options, while at the individual's own expense, are included within the City's overall insurance package. Therefore, a portion of the above coverage is being subsidized by the City and its current employees, which results in an implicit subsidy and an OPEB liability, except for long-term liability.

**City of Clive
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 POST-EMPLOYMENT BENEFITS (continued)

There are 107 active and 9 retired/disabled members in the plan. Participants must be age 55 or older at retirement.

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 as follows:

Employee – single	\$ 430
Employee – spouse/child	976
Employee – family	1,162

The same monthly premiums apply to retirees. For the year ended June 30, 2015, the City contributed \$65,867 to the plan.

The City has entered into an agreement with the City Manager which formally identifies the financial obligation of the City to them in the event of an involuntary employment termination. The severance agreement provides for a termination payment equal to six months wages plus six months of benefits. The compensation rate is based upon the compensation paid to the applicable employee at the time of termination.

Health Reimbursement Account – The City offered an early retirement plan one time in January of 2014. Four employees agreed to take the plan and retire from Clive service. As part of the early retirement plan, it was agreed that \$23,240 would be deposited in an HRA bank account with Bankers Trust for each retiree for their use for medical insurance premiums or expenses. The HRA account is managed contractually by Employee Benefit Services, Burlington, Iowa. The HRA funding is held in trust for the exclusive benefit of the retiree until such time as their allotted funds are exhausted. The City provides neither administrative services nor advice regarding the use of the HRA funding.

NOTE 14 LEASES

The City has entered into three cancelable lease agreements to lease water tower space to communication companies. The lease with US Cellular Operating Company commenced on August 31, 1987 for a term of twenty years. The lease was amended on April 1, 2000 and calls for payment of \$400 per month. Under the terms of the lease, the lessee has the option to renew for two additional five year terms at the current 39.55 monthly rate as adjusted by the Consumer Price Index. Current monthly payments are \$539.55.

On March 18, 1996, the City executed a five year lease, with three additional five year renewal options, with MajorCo, L.P. Annual rent under the term of the lease is \$6,389.

The City has also executed a lease with Voicestream PCS I LLC. The initial lease term is for a period of five years, terminating on October 28, 2001 and renewed for five years. Under the terms of the lease agreement the lease will automatically be renewed for five additional five year terms unless the tenant notifies the City in writing. Annual rent is \$13,688 upon the automatic renewal occurring in October, 2011.

Future minimum lease collections are as follows:

2016	\$ 19,814
2017	10,178

**City of Clive
NOTES TO FINANCIAL STATEMENTS**

NOTE 15 INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General Fund	Special Revenue Road Use Tax	\$ 35,600
	Enterprise Water	29,400
	Sewer	34,600
	Storm Sewer	<u>51,960</u>
		<u>151,560</u>
Special Revenue Urban Renewal Tax Increment	Capital Projects	<u>152,361</u>
Debt Service	Capital Projects	25,967
	Enterprise Water	<u>1,357,783</u>
		<u>1,383,750</u>
Capital Projects	General	1,118,329
	Enterprise Water	50,000
	Sewer	40,000
	Storm Water	<u>300,000</u>
		<u>1,508,329</u>
Enterprise Storm water	Capital Projects	<u>100,391</u>
Internal Service	General	325,000
	Special Revenue Road Use	150,000
	Enterprise Water	50,000
	Sewer	85,000
	Storm Water	<u>50,000</u>
		<u>660,000</u>
Total		<u>\$3,956,391</u>

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

NOTE 16 SUBSEQUENT EVENTS

The City has evaluated all subsequent events through November 15, 2015, and date the financial statements were available to be issued. There were no subsequent events which require disclosure.

OTHER INFORMATION

City of Clive
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, 2015

	<u>Governmental funds actual</u>	<u>Proprietary funds actual</u>	<u>Less funds not required to be budgeted and adjustments</u>	<u>Total</u>
RECEIPTS				
Property tax	\$12,008,003	\$ -	\$ -	\$12,008,003
Tax increment financing collections	3,370,578	-	-	3,370,578
Other City tax	2,330,466	-	-	2,330,466
Licenses and permits	440,782	-	-	440,782
Use of money and property	221,847	-	-	221,847
Intergovernmental	2,483,186	-	-	2,483,186
Charges for service	1,910,393	7,269,809	-	9,180,202
Special assessments	76,210	-	-	76,210
Miscellaneous	<u>919,050</u>	<u>485,568</u>	<u>68,937</u>	<u>1,335,681</u>
Total receipts	<u>23,760,515</u>	<u>7,755,377</u>	<u>68,937</u>	<u>31,446,955</u>
DISBURSEMENTS				
Public safety	6,147,795	73,198	(12,226)	6,233,219
Public works	2,750,522	377,740	377,740	2,750,522
Health and social services	24,868	-	-	24,868
Culture and recreation	3,120,875	115,477	115,477	3,120,875
Community and economic development	2,023,832	-	85,424	1,938,408
General government	2,333,937	67,780	67,780	2,333,937
Debt service	6,246,334	-	-	6,246,334
Capital projects	3,040,780	-	-	3,040,780
Business type activities	-	<u>4,867,802</u>	-	<u>4,867,802</u>
Total disbursements	<u>25,688,943</u>	<u>5,501,997</u>	<u>634,195</u>	<u>30,556,745</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(1,928,428)</u>	<u>2,253,380</u>	<u>(565,258)</u>	<u>890,210</u>
OTHER FINANCING SOURCES (USES), net	<u>7,496,889</u>	<u>(1,288,352)</u>	<u>660,000</u>	<u>5,548,537</u>
Excess (deficiency) of receipts over (under) disbursements and other financing sources (uses)	<u>5,568,461</u>	<u>965,028</u>	<u>94,742</u>	<u>6,438,747</u>
BALANCES, beginning of year	<u>20,082,835</u>	<u>8,772,762</u>	<u>904,292</u>	<u>27,951,305</u>
BALANCES, end of year	<u>\$25,651,296</u>	<u>\$ 9,737,790</u>	<u>\$ 999,034</u>	<u>\$34,390,052</u>

See accompanying independent auditor's report.

Budgeted amounts		Final to actual variance- positive (negative)
Original	Final	
\$11,665,698	\$11,665,698	\$ 342,305
3,373,596	3,373,596	(3,018)
2,375,329	2,425,329	(94,863)
339,300	389,300	51,482
105,826	120,826	101,021
1,921,962	1,958,962	524,224
10,279,068	10,354,068	(1,173,866)
121,403	121,403	(45,193)
<u>192,424</u>	<u>292,424</u>	<u>1,043,257</u>
<u>30,374,606</u>	<u>30,701,606</u>	<u>745,349</u>
6,592,707	6,592,707	359,488
2,876,956	2,936,956	186,434
30,377	30,377	5,509
3,114,715	3,224,715	103,840
1,942,649	1,942,649	4,241
2,411,030	2,466,030	132,093
6,191,985	6,542,985	296,651
3,435,000	4,212,675	1,171,895
<u>6,028,522</u>	<u>6,028,522</u>	<u>1,160,720</u>
<u>32,623,941</u>	<u>33,977,616</u>	<u>3,420,871</u>
<u>(2,249,335)</u>	<u>(3,276,010)</u>	<u>4,166,220</u>
<u>1,339,214</u>	<u>3,617,597</u>	<u>1,930,940</u>
<u>(910,121)</u>	<u>341,587</u>	<u>6,097,160</u>
<u>32,696,685</u>	<u>32,696,685</u>	<u>(4,745,380)</u>
<u>\$31,786,564</u>	<u>\$33,038,272</u>	<u>\$ 1,351,780</u>

City of Clive
NOTE TO OTHER INFORMATION - BUDGETARY REPORTING
June 30, 2015

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 and Fiduciary 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 Project Funds, Permanent 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 \$1,353,675. This budget amendment is reflected in the final budgeted amounts.

City of Clive, Iowa
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Iowa Public Employees' Retirement System
(In Thousands)
Other Information

	June 30 2015
City's proportion of the net pension liability	.061677%
City's proportionate share of the net pension liability	\$2,446
City's total payroll	\$7,853
City's proportionate share of the net pension liability as a percentage of its total payroll	31.15%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

See accompanying notes to required supplementary information - pension liability.

City of Clive, Iowa
SCHEDULE OF CITY CONTRIBUTIONS
Iowa Public Employees' Retirement System
(In Thousands)
Other Information

	<u>Year ended June 30</u>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 538	\$ 539	\$ 519	\$ 498
Contributions in relation to the statutorily required contribution	<u>(538)</u>	<u>(539)</u>	<u>(519)</u>	<u>(498)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's total payroll	\$7,853	\$7,375	\$7,119	\$7,068
Contributions as a percentage of total payroll	6.85%	7.31%	7.29%	7.05%

See accompanying notes to required supplementary information - pension liability.

Year ended June 30

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 408	\$ 385	\$ 343	\$ 311	\$ 282
<u>(408)</u>	<u>(385)</u>	<u>(343)</u>	<u>(311)</u>	<u>(282)</u>
<u>\$ —</u>				
\$6,510	\$6,384	\$6,095	\$5,814	\$5,502
6.27%	6.03%	5.63%	5.35%	5.13%

City of Clive, Iowa
NOTES TO OTHER INFORMATION – PENSION LIABILITY
Year ended June 30, 2015

CHANGES OF BENEFIT TERMS

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups – emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers – from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

CHANGES OF ASSUMPTIONS

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

SUPPLEMENTARY INFORMATION

City of Clive
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
Nonmajor Governmental Funds
As of and for the year ended June 30, 2015

	<u>Special revenue</u>		
	<u>Road Use Tax</u>	<u>Employee Benefits</u>	<u>Forfeitures</u>
RECEIPTS			
Property tax	\$ -	\$1,585,299	\$ -
Intergovernmental	1,606,218	-	-
Charges for service	-	-	10,000
Miscellaneous	-	52,909	-
Total receipts	<u>1,606,218</u>	<u>1,638,208</u>	<u>10,000</u>
DISBURSEMENTS			
Operating			
Public safety	-	495,602	11,460
Public works	1,407,032	39,597	-
Culture and recreation	-	169,146	-
Community and economic development	-	95,917	-
General government	-	615,392	-
Total disbursements	<u>1,407,032</u>	<u>1,415,654</u>	<u>11,460</u>
Excess (deficiency) of receipts over (under) disbursements	199,186	222,554	(1,460)
OTHER FINANCING (USES)			
Operating transfers out	<u>(185,600)</u>	<u>-</u>	<u>-</u>
Total other financing (uses)	<u>(185,600)</u>	<u>-</u>	<u>-</u>
Change in cash balances	13,586	222,554	(1,460)
CASH BALANCES , beginning of year	<u>974,151</u>	<u>569,923</u>	<u>59,296</u>
CASH BALANCES , end of year	<u>\$ 987,737</u>	<u>\$ 792,477</u>	<u>\$ 57,836</u>
CASH BASIS FUND BALANCES			
Restricted for			
Streets	\$ 987,737	\$ -	\$ -
Other purposes	<u>-</u>	<u>792,477</u>	<u>57,836</u>
Total cash basis fund balances	<u>\$ 987,737</u>	<u>\$ 792,477</u>	<u>\$ 57,836</u>

<u>Special revenue</u>			
<u>Police</u>	<u>Park</u>		
<u>Seizures</u>	<u>Donations</u>	<u>Library</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$1,585,299
-	-	-	1,606,218
1,603	-	-	11,603
<u>55</u>	<u>18,901</u>	<u>2,226</u>	<u>74,091</u>
<u>1,658</u>	<u>18,901</u>	<u>2,226</u>	<u>3,277,211</u>
3,591	-	-	510,653
-	-	-	1,446,629
-	-	4,184	173,330
-	-	-	95,917
-	-	-	<u>615,392</u>
<u>3,591</u>	<u>-</u>	<u>4,184</u>	<u>2,841,921</u>
(1,933)	18,901	(1,958)	435,290
<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,600)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,600)</u>
(1,933)	18,901	(1,958)	249,690
<u>25,732</u>	<u>60,432</u>	<u>9,135</u>	<u>1,698,669</u>
<u>\$ 23,799</u>	<u>\$ 79,333</u>	<u>\$ 7,177</u>	<u>\$1,948,359</u>
\$ -	\$ -	\$ -	\$ 987,737
<u>23,799</u>	<u>79,333</u>	<u>7,177</u>	<u>960,622</u>
<u>\$ 23,799</u>	<u>\$ 79,333</u>	<u>\$ 7,177</u>	<u>\$1,948,359</u>

City of Clive
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
Nonmajor Proprietary Funds
As of and for the year ended June 30, 2015

	<u>Enterprise Funds Water Utility Deposits</u>
OPERATING RECEIPTS	
Charges for service	\$ <u>46,420</u>
OPERATING DISBURSEMENTS	
Business type activities	<u>31,785</u>
Excess of operating receipts over operating disbursements	<u>14,635</u>
Net change in cash balances	14,635
CASH BALANCES , beginning of year	<u>287,606</u>
CASH BALANCES , end of year	\$ <u>302,241</u>
CASH BASIS FUND BALANCES , restricted	\$ <u>302,241</u>

City of Clive
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
Capital Project Funds
As of and for the year ended June 30, 2015

	Hickman Road Adaptive	Traffic Improvement and Safety	PW Roof and Doors	Flood Alert	2015 Census
RECEIPTS					
Use of money and property	\$ —	\$ 2,434	\$ —	\$ 208	\$ —
Intergovernmental	—	—	—	—	—
Special assessments	—	—	—	—	—
Miscellaneous	—	19,830	226	—	—
Total receipts	<u>—</u>	<u>22,264</u>	<u>226</u>	<u>208</u>	<u>—</u>
DISBURSEMENTS					
	<u>—</u>	<u>144,280</u>	<u>34,040</u>	<u>—</u>	<u>67,967</u>
Excess (deficiency) of receipts over (under) disbursements	<u>—</u>	<u>(122,016)</u>	<u>(33,814)</u>	<u>208</u>	<u>(67,967)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	114,053	470,000	—	—	—
Operating transfers in	—	—	—	—	86,000
Operating transfers out	—	—	—	—	—
Total other financing sources (uses)	<u>114,053</u>	<u>470,000</u>	<u>—</u>	<u>—</u>	<u>86,000</u>
Change in cash balances	114,053	347,984	(33,814)	208	18,033
CASH BALANCES , beginning of year	<u>—</u>	<u>278,529</u>	<u>284,628</u>	<u>34,040</u>	<u>—</u>
CASH BALANCES , end of year	<u>\$ 114,053</u>	<u>\$ 626,513</u>	<u>\$ 250,814</u>	<u>\$ 34,248</u>	<u>\$ 18,033</u>
CASH BASIS FUND BALANCES					
Restricted for					
Streets	\$ —	\$ —	\$ —	\$ —	\$ —
Other purposes	114,053	626,513	250,814	34,248	18,033
Unassigned	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total cash basis fund balances	<u>\$ 114,053</u>	<u>\$ 626,513</u>	<u>\$ 250,814</u>	<u>\$ 34,248</u>	<u>\$ 18,033</u>

Schedule 3

<u>Mayor's Bike Ride</u>	<u>City Wide Tree Plan</u>	<u>Dymond Public Safety</u>	<u>Westcom</u>	<u>West Pet</u>	<u>Northern Neighborhood Trail</u>	<u>North Neighborhood Park Land</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,087	\$ -	\$ -
-	-	-	-	-	20,498	-
-	-	-	-	-	-	-
<u>665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,472</u>	<u>-</u>	<u>-</u>
<u>665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,559</u>	<u>20,498</u>	<u>-</u>
<u>772</u>	<u>2,300</u>	<u>-</u>	<u>107,906</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(107)</u>	<u>(2,300)</u>	<u>-</u>	<u>(107,906)</u>	<u>15,559</u>	<u>20,498</u>	<u>-</u>
-	-	-	-	-	-	-
-	2,300	87,672	-	-	-	-
<u>(2,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,811)</u>	<u>-</u>
<u>(2,300)</u>	<u>2,300</u>	<u>87,672</u>	<u>-</u>	<u>-</u>	<u>(80,811)</u>	<u>-</u>
(2,407)	-	87,672	(107,906)	15,559	(60,313)	-
<u>3,815</u>	<u>-</u>	<u>(87,672)</u>	<u>318,206</u>	<u>427,912</u>	<u>60,313</u>	<u>76,574</u>
<u>\$ 1,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,300</u>	<u>\$ 443,471</u>	<u>\$ -</u>	<u>\$ 76,574</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,408	-	-	210,300	443,471	-	76,574
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,300</u>	<u>\$ 443,471</u>	<u>\$ -</u>	<u>\$ 76,574</u>

City of Clive
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
Capital Project Funds (continued)
As of and for the year ended June 30, 2015

	<u>Trail Paving</u>	<u>Sign Program</u>	<u>Flags</u>	<u>Town Center</u>	<u>75th St. Water Main</u>
RECEIPTS					
Use of money and property	\$ 3,572	\$ 601	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Special assessments	-	-	-	-	-
Miscellaneous	-	-	5,208	-	-
Total receipts	<u>3,572</u>	<u>601</u>	<u>5,208</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS	<u>332,952</u>	<u>5,647</u>	<u>5,548</u>	<u>9,253</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(329,380)</u>	<u>(5,046)</u>	<u>(340)</u>	<u>(9,253)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	1,109,000	100,000	-	-	426,000
Operating transfers in	80,811	-	-	-	107,805
Operating transfers out	-	-	-	(39,249)	-
Total other financing sources (uses)	<u>1,189,811</u>	<u>100,000</u>	<u>-</u>	<u>(39,249)</u>	<u>533,805</u>
Change in cash balances	860,431	94,954	(340)	(48,502)	533,805
CASH BALANCES , beginning of year	<u>350,096</u>	<u>64,576</u>	<u>47</u>	<u>48,502</u>	<u>-</u>
CASH BALANCES , end of year	<u>\$1,210,527</u>	<u>\$ 159,530</u>	<u>\$ (293)</u>	<u>\$ -</u>	<u>\$ 533,805</u>
CASH BASIS FUND BALANCES					
Restricted for					
Streets	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	1,210,527	159,530	-	-	533,805
Unassigned	-	-	(293)	-	-
Total cash basis fund balances	<u>\$1,210,527</u>	<u>\$ 159,530</u>	<u>\$ (293)</u>	<u>\$ -</u>	<u>\$ 533,805</u>

Schedule 3 (continued)

<u>East Water Tower Paint</u>	<u>Buffalo Road Water Main</u>	<u>Indian Hills Storm Water</u>	<u>Wetlands Mitigation- Cownie</u>	<u>Reg Storm W</u>	<u>Sewer Rehab</u>	<u>Radio Read Meter System</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,397	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	37,093	1,526	-
-	-	-	-	<u>39,490</u>	<u>1,526</u>	-
-	-	-	-	355,435	92,450	70,929
-	-	-	-	<u>(315,945)</u>	<u>(90,924)</u>	<u>(70,929)</u>
-	264,197	-	-	-	-	-
-	-	-	-	338,538	-	90,000
<u>(107,805)</u>	<u>-</u>	<u>(40,000)</u>	<u>(61,391)</u>	<u>(285,000)</u>	<u>-</u>	<u>-</u>
<u>(107,805)</u>	<u>264,197</u>	<u>(40,000)</u>	<u>(61,391)</u>	<u>53,538</u>	<u>-</u>	<u>90,000</u>
(107,805)	264,197	(40,000)	(61,391)	(262,407)	(90,924)	19,071
<u>107,805</u>	<u>-</u>	<u>40,000</u>	<u>61,391</u>	<u>402,159</u>	<u>118,746</u>	<u>5,480</u>
<u>\$ -</u>	<u>\$ 264,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,752</u>	<u>\$ 27,822</u>	<u>\$ 24,551</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	264,197	-	-	139,752	27,822	24,551
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 264,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,752</u>	<u>\$ 27,822</u>	<u>\$ 24,551</u>

City of Clive
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
Capital Project Funds (continued)
As of and for the year ended June 30, 2015

	<u>Sewer Cntrl Plant</u>	<u>Water Infrastructure</u>	<u>Walnut Creek Sewer Ext</u>	<u>Sewer Infrastructure Improvement</u>	<u>100th PI/103rd St Reconstruction</u>
RECEIPTS					
Use of money and property	\$ 16,623	\$ 1,492	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Special assessments	-	-	-	-	-
Miscellaneous	<u>85,035</u>	<u>7,045</u>	<u>12,562</u>	<u>-</u>	<u>7,621</u>
Total receipts	<u>101,658</u>	<u>8,537</u>	<u>12,562</u>	<u>-</u>	<u>7,621</u>
DISBURSEMENTS	<u>-</u>	<u>18,704</u>	<u>18,961</u>	<u>-</u>	<u>875,944</u>
Excess (deficiency) of receipts over (under) disbursements	<u>101,658</u>	<u>(10,167)</u>	<u>(6,399)</u>	<u>-</u>	<u>(868,323)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating transfers in	60,000	-	194,861	-	935,000
Operating transfers out	<u>(205,261)</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(145,261)</u>	<u>-</u>	<u>194,861</u>	<u>(60,000)</u>	<u>935,000</u>
Change in cash balances	(43,603)	(10,167)	188,462	(60,000)	66,677
CASH BALANCES , beginning of year	<u>2,688,942</u>	<u>249,712</u>	<u>(191,255)</u>	<u>60,000</u>	<u>(69,855)</u>
CASH BALANCES , end of year	<u>\$2,645,339</u>	<u>\$ 239,545</u>	<u>\$ (2,793)</u>	<u>\$ -</u>	<u>\$ (3,178)</u>
CASH BASIS FUND BALANCES					
Restricted for					
Streets	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	2,645,339	239,545	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(2,793)</u>	<u>-</u>	<u>(3,178)</u>
Total cash basis fund balances	<u>\$2,645,339</u>	<u>\$ 239,545</u>	<u>\$ (2,793)</u>	<u>\$ -</u>	<u>\$ (3,178)</u>

Schedule 3 (continued)

<u>Northern Neighborhood Ph III Sewer</u>	<u>Northern Neighborhood Improvements</u>	<u>Hickman I-35/80 Int</u>	<u>Douglas Avenue</u>	<u>NW 142nd Pave</u>	<u>Woodlands Parkway Pave</u>	<u>Berkshire Street Lights</u>
\$ -	\$ 3,551	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	110,900	-	456,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	31,028	-
<u>-</u>	<u>3,551</u>	<u>110,900</u>	<u>-</u>	<u>456,000</u>	<u>31,028</u>	<u>-</u>
<u>10,400</u>	<u>-</u>	<u>110,900</u>	<u>-</u>	<u>624,820</u>	<u>-</u>	<u>-</u>
<u>(10,400)</u>	<u>3,551</u>	<u>-</u>	<u>-</u>	<u>(168,820)</u>	<u>31,028</u>	<u>-</u>
-	-	-	-	-	-	-
10,400	-	-	234,093	155,000	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,400</u>	<u>-</u>	<u>-</u>	<u>234,093</u>	<u>155,000</u>	<u>-</u>	<u>-</u>
-	3,551	-	234,093	(13,820)	31,028	-
<u>-</u>	<u>581,526</u>	<u>65,014</u>	<u>632,334</u>	<u>(13,293)</u>	<u>158,087</u>	<u>199,648</u>
<u>\$ -</u>	<u>\$ 585,077</u>	<u>\$ 65,014</u>	<u>\$ 866,427</u>	<u>\$ (27,113)</u>	<u>\$ 189,115</u>	<u>\$ 199,648</u>
\$ -	\$ 585,077	\$ 65,014	\$ 866,427	\$ -	\$ 189,115	\$ -
-	-	-	-	-	-	199,648
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,113)</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 585,077</u>	<u>\$ 65,014</u>	<u>\$ 866,427</u>	<u>\$ (27,113)</u>	<u>\$ 189,115</u>	<u>\$ 199,648</u>

City of Clive
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
Capital Project Funds (continued)
As of and for the year ended June 30, 2015

	NW 142nd/ Hick Pave/ Storm	111th and Hickman Intersection	NW 86th Revitalization	Franchise Street PJ	Campus Dr/ Mercy Prop
RECEIPTS					
Use of money and property	\$ -	\$ -	\$ -	\$ 1,812	\$ -
Intergovernmental	5,290	-	45,000	-	-
Special assessments	-	-	-	-	-
Miscellaneous	2,224	-	2,849	26,567	-
Total receipts	<u>7,514</u>	<u>-</u>	<u>47,849</u>	<u>28,379</u>	<u>-</u>
DISBURSEMENTS					
	<u>9,425</u>	<u>-</u>	<u>40,554</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(1,911)</u>	<u>-</u>	<u>7,295</u>	<u>28,379</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating transfers in	-	-	43,254	1,017,782	-
Operating transfers out	<u>(6,577)</u>	<u>(227,516)</u>	<u>(117,672)</u>	<u>(805,000)</u>	<u>(43,254)</u>
Total other financing sources (uses)	<u>(6,577)</u>	<u>(227,516)</u>	<u>(74,418)</u>	<u>212,782</u>	<u>(43,254)</u>
Change in cash balances	(8,488)	(227,516)	(67,123)	241,161	(43,254)
CASH BALANCES , beginning of year	<u>8,488</u>	<u>227,516</u>	<u>295,378</u>	<u>(193,831)</u>	<u>43,254</u>
CASH BALANCES , end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,255</u>	<u>\$ 47,330</u>	<u>\$ -</u>
CASH BASIS FUND BALANCES					
Restricted for					
Streets	\$ -	\$ -	\$ 228,255	\$ 47,330	\$ -
Other purposes	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash basis fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,255</u>	<u>\$ 47,330</u>	<u>\$ -</u>

Schedule 3 (continued)

<u>Comprehensive Plan</u>	<u>IT Capital Replacement</u>	<u>Municipal Centre</u>	<u>Information System</u>	<u>Development Planning</u>	<u>Public Art-Trail</u>	<u>Woodlands Art</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	8,000	-
-	-	-	-	-	8,000	-
<u>22,761</u>	<u>1,992</u>	<u>65,703</u>	<u>-</u>	<u>-</u>	<u>8,450</u>	<u>2,687</u>
<u>(22,761)</u>	<u>(1,992)</u>	<u>(65,703)</u>	<u>-</u>	<u>-</u>	<u>(450)</u>	<u>(2,687)</u>
175,000	-	-	-	-	-	-
30,000	6,724	39,249	-	-	14,547	-
-	-	-	(6,724)	-	-	-
<u>205,000</u>	<u>6,724</u>	<u>39,249</u>	<u>(6,724)</u>	<u>-</u>	<u>14,547</u>	<u>-</u>
182,239	4,732	(26,454)	(6,724)	-	14,097	(2,687)
<u>98,345</u>	<u>2,467</u>	<u>2,033,512</u>	<u>6,724</u>	<u>12,623</u>	<u>13,675</u>	<u>48,609</u>
<u>\$ 280,584</u>	<u>\$ 7,199</u>	<u>\$2,007,058</u>	<u>\$ -</u>	<u>\$ 12,623</u>	<u>\$ 27,772</u>	<u>\$ 45,922</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
280,584	7,199	2,007,058	-	12,623	27,772	45,922
-	-	-	-	-	-	-
<u>\$ 280,584</u>	<u>\$ 7,199</u>	<u>\$2,007,058</u>	<u>\$ -</u>	<u>\$ 12,623</u>	<u>\$ 27,772</u>	<u>\$ 45,922</u>

City of Clive
SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
Capital Project Funds (continued)
As of and for the year ended June 30, 2015

	University Avenue Signals	128th Assessments	University Boulevard Ph I, II & III	156th Paving	Walnut Creek Eros
RECEIPTS					
Use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Special assessments	-	7,817	38,289	-	-
Miscellaneous	-	-	-	-	-
Total receipts	<u>-</u>	<u>7,817</u>	<u>38,289</u>	<u>-</u>	<u>-</u>
DISBURSEMENTS					
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>7,817</u>	<u>38,289</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	<u>(8,256)</u>	<u>(17,711)</u>	<u>(121,037)</u>	<u>(366)</u>	<u>(37,538)</u>
Total other financing sources (uses)	<u>(8,256)</u>	<u>(17,711)</u>	<u>(121,037)</u>	<u>(366)</u>	<u>(37,538)</u>
Change in cash balances	(8,256)	(9,894)	(82,748)	(366)	(37,538)
CASH BALANCES , beginning of year	<u>8,256</u>	<u>17,711</u>	<u>122,977</u>	<u>366</u>	<u>37,538</u>
CASH BALANCES , end of year	<u>\$ -</u>	<u>\$ 7,817</u>	<u>\$ 40,229</u>	<u>\$ -</u>	<u>\$ -</u>
CASH BASIS FUND BALANCES					
Restricted for					
Streets	\$ -	\$ 7,817	\$ 40,229	\$ -	\$ -
Other purposes	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash basis fund balances	<u>\$ -</u>	<u>\$ 7,817</u>	<u>\$ 40,229</u>	<u>\$ -</u>	<u>\$ -</u>

Intrafund Transfers Elimination	Total
\$ -	\$ 34,777
-	637,688
-	46,106
-	<u>260,951</u>
-	<u>979,522</u>
-	<u>3,040,780</u>
-	<u>(2,061,258)</u>
-	2,658,250
(2,025,707)	1,508,329
<u>2,025,707</u>	<u>(247,761)</u>
-	<u>3,918,818</u>
-	1,857,560
-	<u>9,739,615</u>
<u>\$ -</u>	<u>\$11,597,175</u>
\$ -	\$ 2,029,264
-	9,601,288
-	<u>(33,377)</u>
<u>\$ -</u>	<u>\$11,597,175</u>

City of Clive
SCHEDULE OF INDEBTEDNESS
For the year ended June 30, 2015

<u>Obligation</u>	<u>Date of issue</u>	<u>Interest rates</u>	<u>Amount originally issued</u>
General Obligation Bonds			
Essential corporate purpose, Series 2006C	December 19, 2006	3.75%	\$ 1,235,000
Urban renewal, Series 2008B	June 2, 2008	3.50%	7,200,000
Essential corporate purpose, Series 2009A	December 10, 2009	3.00% - 4.00%	2,715,000
Urban renewal, Series 2009B	December 10, 2009	3.00%	9,125,000
Refunding, Series 2010A	December 27, 2010	1.85% - 3.50%	5,520,000
Essential corporate purpose, Series 2011A	May 18, 2011	3.00% - 3.375%	2,210,000
Refunding, Series 2012A	March 1, 2012	2.00% - 2.375%	8,730,000
Emergency Communications Facility, Series 2012B	May 15, 2012	2.00% - 3.00%	1,240,000
Refunding, Series 2012C	May 15, 2012	1.50% - 2.50%	7,760,000
Essential corporate purpose, Series 2013A	October 31, 2013	2.00% - 3.05%	1,970,000
Refunding, Series 2015A	February 25, 2015	2.00%	2,930,000
Refunding, Series 2015B	April 9, 2015	0.80% - 1.50%	3,490,000

(1) \$4,036,998 being held in escrow to recall \$4,105,000 of the bonds on June 1, 2017

(2) \$3,447,204 being held in escrow to recall \$3,410,000 of the bonds on June 1, 2016

Schedule 4

<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>
\$ 435,000	\$ —	\$ 435,000	\$ —	\$ 12,227
4,910,000	—	735,000	4,175,000 (2)	178,248
1,980,000	—	150,000	1,830,000	69,754
6,955,000	—	775,000	6,180,000 (1)	219,672
4,130,000	—	520,000	3,610,000	105,465
1,880,000	—	130,000	1,750,000	56,494
7,555,000	—	1,210,000	6,345,000	153,575
1,090,000	—	100,000	990,000	28,025
7,760,000	—	1,240,000	6,520,000	152,975
1,970,000	—	110,000	1,860,000	46,165
—	2,930,000	—	2,930,000	—
<u>—</u>	<u>3,490,000</u>	<u>—</u>	<u>3,490,000</u>	<u>—</u>
<u>\$38,665,000</u>	<u>\$6,420,000</u>	<u>\$5,405,000</u>	<u>\$39,680,000</u>	<u>\$1,022,600</u>

**City of Clive
BOND MATURITIES
June 30, 2015**

Year ending June 30	General Obligation Bonds							
	Series 2008B		Series 2009A		Series 2009B		Series 2010A	
	Issued June 2, 2008		Issued December 10, 2009		Issued December 10, 2009		Issued December 27, 2010	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2016	3.50%	\$4,175,000	3.00%	\$ 155,000	3.00%	\$ 795,000	1.85%	\$ 530,000
2017		–	3.00%	160,000	3.00%	4,925,000	2.20%	545,000
2018		–	3.125%	165,000	3.00%	460,000	2.50%	555,000
2019		–	3.35%	170,000		–	2.80%	575,000
2020		–	3.50%	175,000		–	3.10%	585,000
2021		–	3.65%	185,000		–	3.30%	600,000
2022		–	3.75%	190,000		–	3.50%	220,000
2023		–	3.875%	200,000		–		–
2024		–	4.00%	210,000		–		–
2025		–	4.00%	220,000		–		–
2026		–		–		–		–
2027		–		–		–		–
2028		–		–		–		–
Totals		<u>\$4,175,000</u>		<u>\$1,830,000</u>		<u>\$6,180,000</u>		<u>\$3,610,000</u>

Year ending June 30	General Obligation Bonds							
	Series 2011A		Series 2012A		Series 2012B		Series 2012C	
	Issued May 18, 2011		Issued March 1, 2012		Issued May 15, 2012		Issued May 15, 2012	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2016	3.00%	\$ 135,000	2.00%	\$1,220,000	2.00%	\$ 105,000	1.50%	\$1,255,000
2017	3.00%	140,000	2.00%	1,155,000	2.00%	105,000	1.75%	1,280,000
2018	3.00%	140,000	2.00%	935,000	2.00%	105,000	2.00%	1,295,000
2019	3.00%	145,000	2.00%	735,000	2.50%	105,000	2.50%	1,330,000
2020	3.00%	150,000	2.00%	750,000	3.00%	110,000	2.50%	1,360,000
2021	3.00%	155,000	2.00%	375,000	3.00%	110,000		–
2022	3.00%	165,000	2.00%	385,000	3.00%	115,000		–
2023	3.00%	170,000	2.25%	390,000	3.00%	115,000		–
2024	3.125%	175,000	2.375%	400,000	3.00%	120,000		–
2025	3.250%	185,000		–		–		–
2026	3.375%	190,000		–		–		–
2027		–		–		–		–
2028		–		–		–		–
Totals		<u>\$1,750,000</u>		<u>\$6,345,000</u>		<u>\$ 990,000</u>		<u>\$6,520,000</u>

See accompanying independent auditor's report.

City of Clive
BOND MATURITIES (continued)
June 30, 2015

General Obligation Bonds							
Year ending June 30	Series 2013A		Series 2015A		Series 2015B		Total
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	
	Issued October 31, 2013		Issued February 25, 2015		Issued April 9, 2015		
2016	2.00%	\$ 100,000	2.00%	\$ 330,000	0.80%	\$ 855,000	\$ 8,800,000
2017	2.00%	100,000	2.00%	435,000	1.00%	860,000	9,700,000
2018	2.00%	135,000	2.00%	295,000	1.30%	880,000	4,945,000
2019	2.00%	140,000	2.00%	300,000	1.50%	895,000	4,380,000
2020	2.00%	140,000	2.00%	305,000		-	4,470,000
2021	2.00%	145,000	2.00%	305,000		-	1,875,000
2022	2.15%	145,000	2.00%	315,000		-	1,535,000
2023	2.30%	150,000	2.00%	320,000		-	1,345,000
2024	2.45%	155,000	2.00%	325,000		-	1,385,000
2025	2.60%	155,000		-		-	560,000
2026	2.75%	160,000		-		-	350,000
2027	2.90%	165,000		-		-	165,000
2028	3.05%	170,000		-		-	170,000
Totals		<u>\$1,860,000</u>		<u>\$2,930,000</u>		<u>\$3,490,000</u>	<u>\$39,680,000</u>

City of Clive
SCHEDULE OF RECEIPTS BY SOURCE AND DISBURSEMENTS BY FUNCTION -
ALL GOVERNMENTAL FUNDS
For the last ten years

	Year ended June 30			
	2015	2014	2013	2012
RECEIPTS				
Property and other City tax	\$14,338,469	\$14,035,163	\$13,717,154	\$12,800,728
Tax increment financing	3,370,578	3,547,495	3,859,704	4,391,736
Licenses and permits	440,782	669,790	490,893	326,452
Use of money and property	221,847	125,353	134,293	102,529
Intergovernmental	2,483,186	1,982,206	2,297,966	2,670,845
Charges for services	1,910,393	2,806,882	2,715,948	2,787,170
Special assessments	76,210	100,867	60,451	164,390
Miscellaneous	919,050	1,053,098	789,081	509,483
Total receipts	<u>\$23,760,515</u>	<u>\$24,320,854</u>	<u>\$24,065,490</u>	<u>\$23,753,333</u>
DISBURSEMENTS				
Operating				
Public safety	\$ 6,147,795	\$ 6,375,502	\$ 6,123,317	\$ 6,155,243
Public works	2,750,522	2,706,423	2,691,353	2,871,362
Health and social services	24,868	12,651	8,835	6,897
Culture and recreation	3,120,875	3,320,795	3,245,002	3,495,095
Community and economic development	2,023,832	2,168,255	2,781,563	2,995,686
General government	2,333,937	2,391,463	2,257,781	2,204,276
Debt service	6,246,334	6,532,672	6,600,455	6,013,638
Capital projects	<u>3,040,780</u>	<u>4,996,927</u>	<u>5,185,510</u>	<u>4,218,236</u>
Total disbursements	<u>\$25,688,943</u>	<u>\$28,504,688</u>	<u>\$28,893,816</u>	<u>\$27,960,433</u>

See accompanying independent auditor's report.

Schedule 6

Year ended June 30					
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$11,729,835	\$11,428,288	\$10,901,114	\$10,134,801	\$ 9,444,344	\$ 8,718,445
4,195,356	3,735,968	3,352,396	2,983,901	3,453,154	3,274,847
335,573	332,609	386,665	642,007	701,116	666,935
166,183	222,316	299,494	888,704	1,437,986	846,498
3,392,709	3,545,909	1,735,198	1,970,336	1,580,906	1,497,564
2,438,831	2,031,004	2,006,195	1,838,629	1,810,794	1,864,912
113,663	19,503	17,218	24,130	85,247	540,605
<u>523,453</u>	<u>416,135</u>	<u>518,824</u>	<u>477,432</u>	<u>558,247</u>	<u>1,135,221</u>
<u>\$22,895,603</u>	<u>\$21,731,732</u>	<u>\$19,217,104</u>	<u>\$18,959,940</u>	<u>\$19,071,794</u>	<u>\$18,545,027</u>
\$ 6,241,338	\$ 5,331,379	\$ 5,179,087	\$ 5,041,841	\$ 4,932,578	\$ 4,502,577
2,821,650	2,658,596	2,357,353	2,183,794	2,122,473	1,886,408
14,088	15,129	13,422	6,488	6,088	17,584
3,344,056	3,231,043	3,383,011	2,973,047	2,997,471	2,740,642
2,597,979	2,545,738	2,760,221	2,607,552	3,304,955	3,130,035
2,026,281	2,020,197	2,071,307	2,011,843	1,706,232	1,681,614
5,894,802	5,354,770	4,785,709	7,343,549	3,597,458	2,482,859
<u>6,278,543</u>	<u>7,080,585</u>	<u>4,976,673</u>	<u>6,667,267</u>	<u>7,310,584</u>	<u>2,758,290</u>
<u>\$29,218,737</u>	<u>\$28,237,437</u>	<u>\$25,526,783</u>	<u>\$28,835,381</u>	<u>\$25,977,839</u>	<u>\$19,200,009</u>

See accompanying independent auditor's report.



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

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

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 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 Clive, Iowa (the City) as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 15, 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 accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Clive's internal control over financial reporting (internal control) 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 Clive's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Clive's internal control.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the City of Clive's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2015 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 Clive's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the 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.


DENMAN & COMPANY, LLP

West Des Moines, Iowa
November 15, 2015

**City of Clive
SCHEDULE OF FINDINGS
Year ended June 30, 2015**

Part I – Findings Related to the Financial Statements

SIGNIFICANT DEFICIENCY

No matters were reported.

INSTANCES OF NONCOMPLIANCE

No matters were reported.

City of Clive
SCHEDULE OF FINDINGS (continued)
Year ended June 30, 2015

Part II—Other Findings Related to Required Statutory Reporting

II-A-15 CERTIFIED BUDGET

Disbursements during the year ended June 30, 2015 did not exceed budgeted amounts, as amended.

II-B-15 QUESTIONABLE DISBURSEMENTS

No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

II-C-15 TRAVEL EXPENSE

No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

II-D-15 BUSINESS TRANSACTIONS

No business transactions between the City and City officials or employees were noted.

II-E-15 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-15 COUNCIL MINUTES

No transactions were found that we believe should have been approved in the Council minutes but were not.

II-G-15 DEPOSITS AND INVESTMENTS

No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.

II-H-15 ANNUAL URBAN RENEWAL REPORT

The annual urban renewal report was properly approved and certified to the Iowa Department of Management on or before December 1 and no exceptions were noted.