

**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

Mary Mosiman, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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NEWS RELEASE

FOR RELEASE

July 9, 2015

Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman today released an audit report on the City of Robins, Iowa.

The City's receipts totaled \$7,684,547 for the year ended June 30, 2014, a 136.6% increase over the prior year. The receipts included \$1,103,858 in property tax, \$502,089 from charges for service, \$339,203 from operating grants, contributions and restricted interest, \$41,550 from capital grants, contributions and restricted interest, \$1,022,665 from tax increment financing, \$374,629 from local option sales tax, \$16,777 from unrestricted interest on investments, \$7,798 from other general receipts and \$4,275,978 of bond proceeds.

Disbursements for the year ended June 30, 2014 totaled \$5,665,588, a 20.6% increase over the prior year, and included \$2,613,283 for debt service, \$1,539,032 for capital projects and \$324,893 for general government. Also, disbursements for business type activities totaled \$278,797.

The increase in receipts is primarily due to bond proceeds received during the year ended June 30, 2014. The increase in disbursements is primarily due to an increase in debt service activity due to refunding debt during fiscal year 2014.

A copy of the audit report is available for review in the City Clerk's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1420-0551-B00F.pdf>.

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

**JUNE 30, 2014**

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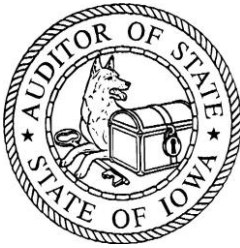
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**City of Robins**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>(Before January 2014)</b>		
Ian Cullis	Mayor	Jan 2014
Don Norton	Council Member	Jan 2014
Brad Sevcik	Council Member	Jan 2014
Marilyn Cook	Council Member	Jan 2016
Chuck Hinz	Council Member	Jan 2016
Roger Overbeck	Council Member	Jan 2016
Lori Pickart	City Clerk/Treasurer	Indefinite
Liz Schura	Deputy Clerk	Indefinite
Don Hoskins	Attorney	Indefinite
<b>(After January 2014)</b>		
Chuck Hinz	Mayor	Jan 2018
Marilyn Cook	Council Member	Jan 2016
Mike Peebler (Appointed Feb 2014)	Council Member	Nov 2015
Roger Overbeck	Council Member	Jan 2016
Don Norton	Council Member	Jan 2018
Brad Sevcik	Council Member	Jan 2018
Lori Pickart	City Clerk/Treasurer	Indefinite
Liz Schura	Deputy Clerk	Indefinite
Don Hoskins	Attorney	Indefinite

**City of Robins**



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Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Robins, Iowa, as of and for the year ended June 30, 2014, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Robins as of June 30, 2014, and the respective changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

## Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are 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 Robins' basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the seven years ended June 30, 2013 (which are not presented herein) and expressed unqualified opinions on these financial statements which were prepared on the basis of cash receipts and disbursements. We also previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the year ended June 30, 2006 (which are not presented herein) and expressed qualified opinions on those financial statements due to the inability to satisfy ourselves as to the distribution by fund of the total fund balance at July 1, 2005. Those financial statements were prepared in conformity with an other comprehensive basis of accounting. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, Management's Discussion and Analysis and the budgetary comparison information on pages 8 through 13 and 30 through 32, 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 June 12, 2015 on our consideration of the City of Robins' 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 of Robins' internal control over financial reporting and compliance.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

June 12, 2015

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The City of Robins provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

### **2014 FINANCIAL HIGHLIGHTS**

- The cash basis net position of the City's governmental activities increased 92.6%, or approximately \$1,895,000, to approximately \$3,941,000. The increase is primarily due to the receipt of bond proceeds during fiscal year 2014.
- The cash basis net position of the City's business type activities increased 11.4%, or approximately \$123,000, to approximately \$1,206,000.
- The City's total cash basis net position increased 64.5%, or approximately \$2,019,000, from June 30, 2013 to June 30, 2014.

### **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

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

## **BASIS OF ACCOUNTING**

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with 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, 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 water main connections and the sanitary sewer system. These activities are financed primarily by user charges.

### *Fund Financial Statements*

The City has two kinds of funds:

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

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

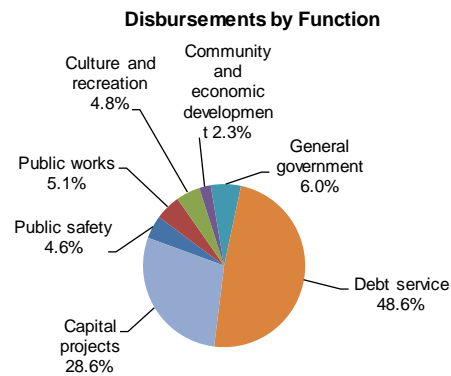
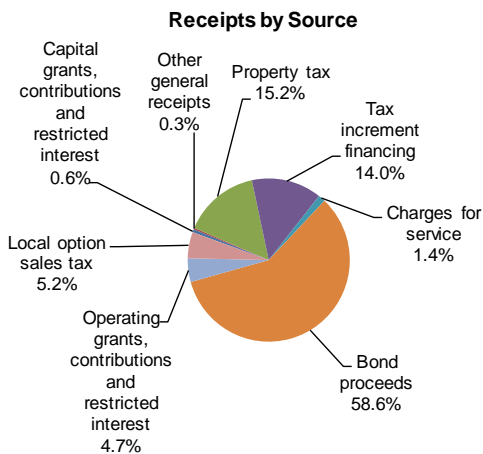
2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business type activities. The City maintains two Enterprise Funds to provide separate information for the Water and Sewer Funds, considered to be major funds of the City.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, from approximately \$2.05 million to approximately \$3.94 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)		
	Year ended June 30,	
	2014	2013
Receipts:		
Program receipts:		
Charges for service	\$ 105	59
Operating grants, contributions and restricted interest	339	315
Capital grants, contributions and restricted interest	41	30
General receipts:		
Property tax	1,104	1,053
Tax increment financing	1,022	1,051
Local option sales tax	375	354
Bond proceeds, including \$50,978 of premium	4,276	-
Other general receipts	19	37
<b>Total receipts</b>	<b>7,281</b>	<b>2,899</b>
Disbursements:		
Public safety	249	262
Public works	274	297
Culture and recreation	261	206
Community and economic development	125	111
General government	325	216
Debt service	2,613	1,354
Capital projects	1,539	1,950
<b>Total disbursements</b>	<b>5,386</b>	<b>4,396</b>
Change in cash basis net position	1,895	(1,497)
Cash basis net position beginning of year	2,046	3,543
<b>Cash basis net position end of year</b>	<b>\$ 3,941</b>	<b>2,046</b>



The City's total receipts for governmental activities increased 151.2%, or approximately \$4,382,000. The total cost of all programs and services increased approximately \$990,000, or 22.5%. The increase in receipts was primarily due to the bond proceeds received during fiscal year 2014 while the increase in disbursements was primarily due to the refunding of the 2005 general obligations notes during fiscal year 2014.

The cost of all governmental activities this year was approximately \$5,386,000. However, as shown in the Cash Basis Statement of Activities and Net Position on pages 16 and 17, the amount financed by property and other city tax for these activities was approximately \$1,104,000, with the remainder paid for with user fees, grants, contributions, interest on investments and fund balances.

Changes in Cash Basis Net Position of Business Type Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2014	2013
Receipts:		
Program receipts:		
Charges for service:		
Water	\$ 45	27
Sewer	351	316
General receipts:		
Unrestricted interest on investments	5	6
Total receipts	401	349
Disbursements:		
Water	16	18
Sewer	262	285
Total disbursements	278	303
Change in cash basis net position	123	46
Cash basis net position beginning of year	1,083	1,037
Cash basis net position end of year	\$ 1,206	1,083

The business type activities receipts for the fiscal year were approximately \$401,000, a 14.9% increase over last year. Disbursements for the fiscal year decreased 8.25%, primarily due to fewer water and sewer maintenance projects during fiscal year 2014.

#### **INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS**

As the City of Robins completed the year, its governmental funds reported a combined fund balance of \$3,941,172, an increase of \$1,895,413 from last year's total of \$2,045,759. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased \$185,480 to \$874,709. This increase is primarily due to an increase in property tax and a large increase in building permit fees.
- The Special Revenue, Urban Renewal Tax Increment Fund was established to account for major urban renewal projects within the City's tax increment district. At the end of the fiscal year, the cash balance was \$(23,900), a decrease of \$33,915 from the previous year. The decrease was the result of the timing of tax increment financing (TIF) collections and transfers to the Debt Service Fund for payment of TIF debt.

- The Special Revenue, Local Option Sales Tax (LOST) Fund cash balance increased \$379,196 to \$1,202,334. The City is holding these funds in reserve for a sewer extension to the City of Cedar Rapids.
- The Debt Service Fund cash balance increased \$57,655 to \$17,028.
- The Capital Projects Fund cash balance increased \$1,176,796 from the prior year to \$1,376,715. The increase is due primarily to receipts from bond proceeds which will be spent in the future.

### **INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS**

- The Enterprise, Water Fund cash balance increased \$29,919 to \$170,270, due primarily to increased water main connection fees.
- The Enterprise, Sewer Fund cash balance increased \$93,627 to \$1,035,819. This was due to an increase in the number of households served and a corresponding increase in charges for service during fiscal year 2014.

### **BUDGETARY HIGHLIGHTS**

Over the course of the year, the City amended its budget one time. The amendment resulted in an increase in other financing sources of \$2,323,000 while disbursements increased \$2,398,556. The increase in disbursements related to costs for asphaltting the East Knoll Park parking lot and trail, costs for cemetery improvements, including a new fence, costs for providing seed money to Robins Economic Development Initiative, costs related to the redemption of the 2005 notes and costs related to additional capital improvement projects. The City had sufficient cash balances to absorb these additional costs. Other financing sources increased to account for additional bond proceeds.

The City's receipts were \$263,892 less than budgeted. This was primarily due to less intergovernmental receipts being received than anticipated.

Total disbursements were \$2,765,471 less than the amended budget. Capital projects disbursements were \$1,210,968 less than the amended budget, primarily due to a delay in utility and street improvement and upgrade projects.

### **DEBT ADMINISTRATION**

At June 30, 2014, the City had \$8,105,000 of general obligation notes and bonds outstanding, compared to \$6,220,000 last year, as shown below.

Outstanding Debt at Year-End (Expressed in Thousands)		
	June 30,	
	2014	2013
General obligation notes	\$ 2,105	3,925
General obligation bonds	6,000	2,295
Total	<u>\$ 8,105</u>	<u>6,220</u>

Debt increased during fiscal year 2014 as a result of the City issuing general obligation bonds for road, sewer and water projects and to refund the outstanding debt on the general obligation notes dated April 1, 2005. The total issuance was \$4,225,000, with \$1,335,000 being used to refund the 2005 general obligation notes.

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of approximately \$8,105,000 is below its constitutional debt limit of approximately \$16,062,600.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The City of Robins' elected and appointed officials and citizens considered many factors when setting the fiscal year 2015 budget, tax rates and fees charged for various City activities. One of those factors is the economy. As part of the City of Cedar Rapids metro area, the City benefits from the low unemployment rate and anticipates continued growth in both residential and commercial areas.

At the time these financial statements were prepared and audited, the City was aware of the following circumstances which could affect its financial health in the future.

- The United States Census Bureau performed a census in September 2010. The population of the City increased 1,336 persons, or 74%, in the 10-year span from 2000 to 2010, with a population of 3,142 in September 2010.
- The City's taxable valuation in 2013 was \$134,059,025 compared with the 2014 taxable valuation of \$137,365,244. This is due to an increase in the number of residential homes within the City.
- With the continued growth, the City has been very diligent relating to not significantly raising the property tax levy rate. The property tax levy rate increased slightly for the fiscal year 2015 budget to \$7.93060 per \$1,000 of taxable valuation compared to \$7.77881 per \$1,000 of taxable valuation for the fiscal year 2014 budget.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lori Pickart, City Clerk, 265 Second Street, Robins, Iowa 52328.

**City of Robins**



## **Basic Financial Statements**

City of Robins

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2014

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
<b>Functions/Programs:</b>				
Governmental activities:				
Public safety	\$ 248,751	90,261	10,463	-
Public works	274,371	-	313,740	-
Culture and recreation	261,115	12,840	15,000	820
Community and economic development	125,346	1,330	-	-
General government	324,893	405	-	-
Debt service	2,613,283	-	-	-
Capital projects	1,539,032	-	-	40,730
Total governmental activities	5,386,791	104,836	339,203	41,550
Business type activities:				
Water	16,369	45,656	-	-
Sewer	262,428	351,597	-	-
Total business type activities	278,797	397,253	-	-
Total	\$ 5,665,588	502,089	339,203	41,550

**General Receipts:**

Property and other city tax levied for:  
 General purposes  
 Debt service  
 Tax increment financing  
 Local option sales tax  
 Unrestricted interest on investments  
 Bond proceeds, including \$50,978 of premium  
 Miscellaneous

Total general receipts  
 Change in cash basis net position  
 Cash basis net position beginning of year  
 Cash basis net position end of year

**Cash Basis Net Position**

Restricted:  
 Streets  
 Debt service  
 Local option sales tax  
 Capital projects  
 Other purposes  
 Unrestricted

**Total cash basis net position**

See notes to financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Position		
Governmental Activities	Business Type Activities	Total
(148,027)	-	(148,027)
39,369	-	39,369
(232,455)	-	(232,455)
(124,016)	-	(124,016)
(324,488)	-	(324,488)
(2,613,283)	-	(2,613,283)
(1,498,302)	-	(1,498,302)
(4,901,202)	-	(4,901,202)
-	29,287	29,287
-	89,169	89,169
-	118,456	118,456
(4,901,202)	118,456	(4,782,746)
890,380	-	890,380
213,478	-	213,478
1,022,665	-	1,022,665
374,629	-	374,629
11,687	5,090	16,777
4,275,978	-	4,275,978
7,798	-	7,798
6,796,615	5,090	6,801,705
1,895,413	123,546	2,018,959
2,045,759	1,082,543	3,128,302
\$ 3,941,172	1,206,089	5,147,261
\$ 331,740	-	331,740
17,028	-	17,028
1,202,334	-	1,202,334
1,376,715	-	1,376,715
162,546	-	162,546
850,809	1,206,089	2,056,898
\$ 3,941,172	1,206,089	5,147,261

City of Robins

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

As of and for the year ended June 30, 2014

	Special Revenue		
	General	Urban Renewal Tax Increment	Local Option Sales Tax
Receipts:			
Property tax	\$ 890,380	-	-
Tax increment financing	-	1,022,665	-
Local option sales tax	-	-	374,629
Licenses and permits	78,932	-	-
Use of money and property	13,193	-	4,567
Intergovernmental	4,506	-	-
Charges for service	14,349	-	-
Miscellaneous	27,301	-	-
Total receipts	1,028,661	1,022,665	379,196
Disbursements:			
Operating:			
Public safety	242,939	-	-
Public works	88,888	-	-
Culture and recreation	261,115	-	-
Community and economic development	125,346	-	-
General government	324,893	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total disbursements	1,043,181	-	-
Excess (deficiency) of receipts over (under) disbursements	(14,520)	1,022,665	379,196
Other financing sources (uses):			
Transfers in	800,000	-	-
Transfers out	(600,000)	(1,056,580)	-
Bond proceeds, including \$50,978 of premium	-	-	-
Total other financing sources (uses)	200,000	(1,056,580)	-
Change in cash balances	185,480	(33,915)	379,196
Cash balances beginning of year	689,229	10,015	823,138
Cash balances end of year	\$ 874,709	(23,900)	1,202,334
<b>Cash Basis Fund Balances</b>			
Restricted for:			
Streets	\$ -	-	-
Debt service	-	-	-
Local option sales tax	-	-	1,202,334
Capital projects	-	-	-
Other purposes	-	-	-
Unassigned	874,709	(23,900)	-
Total cash basis fund balances	\$ 874,709	(23,900)	1,202,334

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
213,478	-	-	1,103,858
-	-	-	1,022,665
-	-	-	374,629
-	-	-	78,932
-	4,629	979	23,368
-	36,101	313,741	354,348
-	-	-	14,349
-	-	6,776	34,077
213,478	40,730	321,496	3,006,226
-	-	5,812	248,751
-	-	185,483	274,371
-	-	-	261,115
-	-	-	125,346
-	-	-	324,893
2,613,283	-	-	2,613,283
-	1,539,032	-	1,539,032
2,613,283	1,539,032	191,295	5,386,791
(2,399,805)	(1,498,302)	130,201	(2,380,565)
1,056,580	600,000	-	2,456,580
-	(800,000)	-	(2,456,580)
1,400,880	2,875,098	-	4,275,978
2,457,460	2,675,098	-	4,275,978
57,655	1,176,796	130,201	1,895,413
(40,627)	199,919	364,085	2,045,759
17,028	1,376,715	494,286	3,941,172
-	-	331,740	331,740
17,028	-	-	17,028
-	-	-	1,202,334
-	1,376,715	-	1,376,715
-	-	162,546	162,546
-	-	-	850,809
17,028	1,376,715	494,286	3,941,172

**Exhibit C**

## City of Robins

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

As of and for the year ended June 30, 2014

	Enterprise		
	Water	Sewer	Total
Operating receipts:			
Charges for service	\$ 45,656	351,597	397,253
Operating disbursements:			
Business type activities	16,369	262,428	278,797
Excess of operating receipts over operating disbursements	29,287	89,169	118,456
Non-operating receipts:			
Interest on investments	632	4,458	5,090
Change in cash balances	29,919	93,627	123,546
Cash balances beginning of year	140,351	942,192	1,082,543
Cash balances end of year	<u>\$ 170,270</u>	<u>1,035,819</u>	<u>1,206,089</u>
<b>Cash Basis Fund Balances</b>			
Unrestricted	<u>\$ 170,270</u>	<u>1,035,819</u>	<u>1,206,089</u>

See notes to financial statements.

City of Robins

Notes to Financial Statements

June 30, 2014

**(1) Summary of Significant Accounting Policies**

The City of Robins is a political subdivision of the State of Iowa located in Linn County. It was first incorporated in 1910 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Robins 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.

These financial statements present the City of Robins (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Blended Component Unit

The Robins Firefighters Association (Firefighters Association) has been incorporated under the provisions of the Iowa Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, for the purpose of aiding in extinguishing fires and performing such other duties as set forth by the Fire Department. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Firefighters Association meets the definition of a component unit which should be blended. The financial activity of the component unit has been blended as a Special Revenue Fund of the City.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Linn County Assessor's Conference Board, Linn County Emergency Management Commission, Linn County Landfill Commission and Linn County Joint E911 Service Board.

B. Basis of Presentation

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

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

*Restricted net position* results when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

*Unrestricted net position* consists of cash balances not meeting the definition of the preceding category. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

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

The City reports the following major governmental funds:

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

Special Revenue:

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

The Local Option Sales Tax Fund is used to account for local option sales tax collections to be used for streets, water, sewer and other community improvement projects.



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.

The Capital Projects Fund is utilized to account for all resources used in the construction of capital facilities with the exception of those financed through Enterprise Funds.

The City reports the following major proprietary funds:

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

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

C. 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 U.S. generally accepted accounting principles.

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

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

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

D. Governmental Cash Basis Fund Balances

In the governmental fund financial statement, 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.

Unassigned – All amounts not included in the preceding classification.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

**(2) Cash and Pooled Investments**

The City's deposits in banks at June 30, 2014 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

**(3) Bonds and Notes Payable**

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

Year Ending June 30,	General Obligation						
	Notes		Bonds		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	\$ 505,000	81,769	625,000	152,270	1,130,000	234,039	1,364,039
2016	525,000	63,146	630,000	139,377	1,155,000	202,523	1,357,523
2017	540,000	43,053	645,000	125,703	1,185,000	168,756	1,353,756
2018	265,000	21,535	655,000	111,190	920,000	132,725	1,052,725
2019	270,000	10,935	665,000	95,928	935,000	106,863	1,041,863
2020-2024	-	-	2,490,000	243,199	2,490,000	243,199	2,733,199
2025	-	-	290,000	9,135	290,000	9,135	299,135
Total	\$ 2,105,000	220,438	6,000,000	876,802	8,105,000	1,097,240	9,202,240

On October 8, 2013, the City issued \$4,225,000 of general obligation corporate purpose and refunding bonds, with interest rates ranging from 2.25% to 3.15% per annum and a maturity date of June 1, 2025. The bonds were issued as a current refunding to retire the outstanding balance of \$1,335,000 of general obligation refunding notes issued on April 1, 2005.

The City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$87,000. The remainder of the issue is to be used for paying the costs of constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements.

**(4) Pension and Retirement Benefits**

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

Most regular plan members are required to contribute 5.95% of their annual covered salary and the City is required to contribute 8.93% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$28,275, \$25,528 and \$22,567, respectively, equal to the required contribution for each year.

**(5) Other Postemployment Benefits (OPEB)**

Plan Description – The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 2 active and no retired members in the plan. Retired participants must be age 55 or older at retirement.

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

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premium for the City and plan members is \$1,880 for family coverage. For the year ended June 30, 2014, the City contributed \$42,869 and plan members eligible for benefits contributed \$4,763 to the plan.

**(6) Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation payable to employees at June 30, 2014, primarily relating to the General Fund, totaled \$5,900. This liability has been computed based on rates of pay in effect at June 30, 2014.

**(7) Industrial Development Revenue Bonds**

The City has issued a total of \$28,950,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$23,335,097 is outstanding at June 30, 2014. The bonds and related interest are payable solely from the rents payable by tenants of the properties constructed and the bond principal and interest do not constitute liabilities of the City.

**(8) Risk Management**

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

**(9) Deficit Balance**

The Special Revenue, Urban Renewal Tax Increment Fund had a deficit balance of \$23,900 at June 30, 2014. The deficit balance was a result of receiving less tax increment financing than expected. The deficit will be eliminated upon collection of future tax increment receipts.

**(10) Construction Contracts**

The City has entered into various construction contracts totaling \$2,203,358 for street improvements and water and sewer extensions project contracts totaling \$330,158. At June 30, 2014, a cumulative total of \$61,004 remains unpaid on these projects and will be funded through local sources, as necessary.

**(11) Interfund Transfers**

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

Transfer to	Transfer from	Amount
General	Capital Projects	\$ 800,000
Debt Service	Special Revenue:	
	Urban Renewal Tax Increment	1,056,580
Capital Projects	General	600,000
Total		<u>\$ 2,456,580</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources. During fiscal year 2013, \$200,000 was transferred from the General Fund to the Capital Projects Fund to cover capital project expenses incurred prior to bond issuance. During fiscal year 2014, additional transfers were made from the General Fund to the Capital Projects Fund as needed. As of June 30, 2014, the General Fund was repaid in total.

**(12) Water Service Contract**

On April 1, 1998, the City entered into a water service contract with the City of Cedar Rapids for retail water services to customers within the City. Services include, but are not limited to, meter reading, billing and collections, customer and account information, general customer services and investigation and resolution of water service and quality problems.

**(13) Development Agreements**

The City entered into development agreements during the year ended June 30, 2006 and June 30, 2009 to assist in an urban renewal project. The City agreed to rebate the incremental property tax paid by the developer in exchange for public improvement infrastructure constructed by the developer as set forth in the urban renewal plans.

In accordance with the first development agreement entered into during fiscal year 2006, the incremental property tax to be received by the City under Chapter 403.19 of the Code of Iowa from the developer will be rebated for a period of ten years beginning with the tax year in which property tax on the completed value of the improvements is first paid. The total amount rebated shall represent 50% of the incremental property tax received by the City, not to exceed the total projected costs of up to \$300,000. During the year ended June 30, 2014, the City made payments totaling \$19,800 from the Debt Service Fund. The cumulative amount rebated at June 30, 2014 was \$151,302.

In accordance with the second development agreement entered into during fiscal year 2009, the incremental property tax to be received by the City under Chapter 403.19 of the Code of Iowa from the developer will be rebated for a period of nine years beginning with the tax year in which property tax on the completed value of the improvements is first paid (fiscal year 2013). The total amount rebated shall represent 50% of the incremental property tax received by the City, not to exceed the total projected costs of up to \$750,000. During the year ended June 30, 2014, the City made payments totaling \$9,443 from the Debt Service Fund.

**(14) Prospective Accounting Change**

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and other information

**(15) Subsequent Events**

In July 2014, the City entered into two contracts with Ricklef's Excavating totaling \$127,221 for the construction of a trail connection and the construction of a water connection.

In August 2014, the City entered into a contract with Rathje Construction for \$834,893 for the Northwest Quadrant Sanitary Sewer and Lift Station project.

In February 2015, the City entered into a contract with Pirc Tobin for \$263,510 for the Wood Watermain project.

**City of Robins**

## **Other Information**

City of Robins  
 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, 2014

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
<b>Receipts:</b>			
Property tax	\$ 1,103,858	-	-
Tax increment financing	1,022,665	-	-
Local option sales tax	374,629	-	-
Licenses and permits	78,932	-	-
Use of money and property	23,368	5,090	289
Intergovernmental	354,347	-	-
Charges for service	14,349	397,253	-
Miscellaneous	34,078	-	6,776
Total receipts	3,006,226	402,343	7,065
<b>Disbursements:</b>			
Public safety	248,751	-	5,812
Public works	274,371	-	-
Culture and recreation	261,115	-	-
Community and economic development	125,346	-	-
General government	324,893	-	-
Debt service	2,613,283	-	-
Capital projects	1,539,032	-	-
Business type activities	-	278,797	-
Total disbursements	5,386,791	278,797	5,812
Excess (deficiency) of receipts over (under) disbursements	(2,380,565)	123,546	1,253
Other financing sources, net	4,275,978	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,895,413	123,546	1,253
Balances beginning of year	2,045,759	1,082,543	9,746
Balances end of year	\$ 3,941,172	1,206,089	10,999

See accompanying independent auditor's report.



Net	Budgeted Amounts		Final to Net Variance
	Original	Final	
1,103,858	1,094,816	1,094,816	9,042
1,022,665	1,038,885	1,038,885	(16,220)
374,629	356,042	356,042	18,587
78,932	16,500	16,500	62,432
28,169	17,000	17,000	11,169
354,347	507,203	507,203	(152,856)
411,602	479,950	479,950	(68,348)
27,302	155,000	155,000	(127,698)
3,401,504	3,665,396	3,665,396	(263,892)
242,939	262,205	262,205	19,266
274,371	534,445	534,445	260,074
261,115	578,859	608,859	347,744
125,346	103,317	133,317	7,971
324,893	254,143	354,143	29,250
2,613,283	1,250,215	2,644,771	31,488
1,539,032	1,906,000	2,750,000	1,210,968
278,797	1,137,507	1,137,507	858,710
5,659,776	6,026,691	8,425,247	2,765,471
(2,258,272)	(2,361,295)	(4,759,851)	2,501,579
4,275,978	1,902,000	4,225,000	50,978
2,017,706	(459,295)	(534,851)	2,552,557
3,118,556	1,916,190	5,787,345	(2,668,789)
5,136,262	1,456,895	5,252,494	(116,232)

City of Robins

Notes to Other Information – Budgetary Reporting

June 30, 2014

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 the blended component unit. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon eight major classes of disbursements known as functions, not by fund. These eight functions are: public safety, public works, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements \$2,398,556. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2014, disbursements did not exceed the amount budgeted in any function.

**City of Robins**

## **Supplementary Information**

## City of Robins

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

As of and for the year ended June 30, 2014

	Special Revenue			Total
	Road Use Tax	Jimmy Shimek Trust	Firefighters Association	
Receipts:				
Use of money and property	\$ -	690	289	979
Intergovernmental	313,741	-	-	313,741
Miscellaneous	-	-	6,776	6,776
Total receipts	313,741	690	7,065	321,496
Disbursements:				
Operating:				
Public safety	-	-	5,812	5,812
Public works	185,483	-	-	185,483
Total disbursements	185,483	-	-	191,295
Change in cash balances	128,258	690	7,065	130,201
Cash balances beginning of year	203,482	150,857	9,746	364,085
Cash balances end of year	\$ 331,740	151,547	16,811	494,286
<b>Cash Basis Fund Balances</b>				
Restricted for:				
Streets	\$ 331,740	-	-	331,740
Other purposes	-	151,547	10,999	162,546
Total cash basis fund balances	\$ 331,740	151,547	10,999	494,286

See accompanying independent auditor's report.

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City of Robins  
Schedule of Indebtedness  
Year ended June 30, 2014

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Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation notes:			
Refunding	Apr 1, 2005	3.20-4.00%	\$ 3,640,000
Corporate purpose	Jul 18, 2007	3.90-4.15	2,200,000
Corporate purpose	Apr 15, 2009	2.00-4.05	2,200,000
Total			
General obligation bonds:			
Corporate purpose and refunding	Feb 1, 2011	1.00-3.55%	\$ 3,130,000
Corporate purpose and refunding	Oct 8, 2013	2.25-3.15	4,225,000
Total			

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
1,335,000	-	1,335,000	-	18,801
1,070,000	-	250,000	820,000	43,956
1,520,000	-	235,000	1,285,000	54,987
<u>\$ 3,925,000</u>	<u>-</u>	<u>1,820,000</u>	<u>2,105,000</u>	<u>117,744</u>
2,295,000	-	325,000	1,970,000	57,880
-	4,225,000	195,000	4,030,000	66,666
<u>\$ 2,295,000</u>	<u>4,225,000</u>	<u>520,000</u>	<u>6,000,000</u>	<u>124,546</u>

City of Robins  
 Bond and Note Maturities  
 June 30, 2014

Year Ending June 30,	General Obligation Notes					Total
	Corporate Purpose – Parking Lots and Building Improvements		Corporate Purpose– Street, Bridge and Utility System Improvements			
	Issued Jul 18, 2007		Issued Apr 15, 2009			
	Interest Rates	Amount	Interest Rates	Amount		
2015	4.10%	\$ 260,000	3.25%	\$ 245,000	505,000	
2016	4.13	275,000	3.50	250,000	525,000	
2017	4.15	285,000	3.80	255,000	540,000	
2018		-	4.00	265,000	265,000	
2019		-	4.05	270,000	270,000	
2020		-		-	-	
2021		-		-	-	
2022		-		-	-	
2023		-		-	-	
2024		-		-	-	
2025		-		-	-	
Total		<u>\$ 820,000</u>		<u>\$ 1,285,000</u>	<u>2,105,000</u>	

See accompanying independent auditor's report.



Year Ending June 30,	General Obligation Bonds					Total
	Corporate Purpose and Refunding – Street and Utility System Improvements Issued Feb 1, 2011		Corporate Purpose and Refunding – Street, Sidewalk and Utility System Improvements Issued Oct 8, 2013			
	Interest Rates	Amount	Interest Rates	Amount		
	2015	1.65%	\$ 195,000	3.25%		
2016	2.00	200,000	2.25	430,000	630,000	
2017	2.25	205,000	2.25	440,000	645,000	
2018	2.50	210,000	2.25	445,000	655,000	
2019	2.80	215,000	2.25	450,000	665,000	
2020	3.00	225,000	2.25	465,000	690,000	
2021	3.10	230,000	2.45	260,000	490,000	
2022	3.25	240,000	2.65	265,000	505,000	
2023	3.55	250,000	2.85	275,000	525,000	
2024		-	3.00	280,000	280,000	
2025		-	3.15	290,000	290,000	
Total		<u>\$ 1,970,000</u>		<u>\$ 4,030,000</u>	<u>6,000,000</u>	

City of Robins

Schedule of Receipts By Source and Disbursements By Function –  
All Governmental Funds

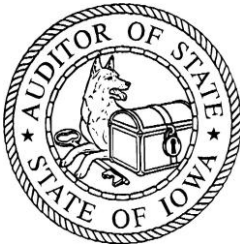
For the Last Nine Years

	2014	2013	2012	2011
<b>Receipts:</b>				
Property tax	\$ 1,103,858	1,053,158	990,607	994,591
Tax increment financing	1,022,665	1,050,732	1,129,477	985,627
Local option sales tax	374,629	354,228	376,780	311,935
Licenses and permits	78,932	38,204	35,320	38,721
Use of money and property	23,368	22,786	35,250	40,501
Intergovernmental	354,347	332,494	315,331	303,240
Charges for service	14,349	6,890	8,020	7,970
Miscellaneous	34,078	40,193	180,025	42,027
<b>Total</b>	<b>\$ 3,006,226</b>	<b>2,898,685</b>	<b>3,070,810</b>	<b>2,724,612</b>
<b>Disbursements:</b>				
<b>Operating:</b>				
Public safety	\$ 248,751	261,343	225,268	218,291
Public works	274,371	297,093	590,332	425,325
Culture and recreation	261,115	206,047	365,190	77,021
Community and economic development	125,346	111,383	62,256	53,809
General government	324,893	216,025	268,188	190,427
Debt service	2,613,283	1,353,834	1,320,919	1,819,261
Capital projects	1,539,032	1,950,216	874,081	1,533,425
<b>Total</b>	<b>\$ 5,386,791</b>	<b>4,395,941</b>	<b>3,706,234</b>	<b>4,317,559</b>

See accompanying independent auditor's report.

2010	2009	2008	2007	2006
918,796	746,839	694,346	556,095	479,995
1,007,776	976,424	756,761	835,648	680,746
264,959	-	-	-	-
89,384	41,782	60,722	52,155	37,425
43,751	50,450	92,851	93,844	70,847
1,133,937	413,461	211,978	210,803	182,257
12,398	65,708	29,404	21,765	19,240
31,053	22,902	28,992	253,077	30,438
<u>3,502,054</u>	<u>2,317,566</u>	<u>1,875,054</u>	<u>2,023,387</u>	<u>1,500,948</u>
221,403	188,362	184,840	206,272	218,537
321,988	386,834	362,340	333,534	274,271
67,203	314,790	109,835	65,691	48,232
53,100	51,864	88,060	61,611	4,000
207,718	218,209	221,225	200,731	243,373
1,058,388	1,135,986	926,298	921,750	895,014
1,860,575	900,965	1,179,638	1,671,272	829,541
<u>3,790,375</u>	<u>3,197,010</u>	<u>3,072,236</u>	<u>3,460,861</u>	<u>2,512,968</u>

**City of Robins**



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

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Des Moines, Iowa 50319-0004

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Mary Mosiman, CPA  
Auditor of State

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

To the Honorable Mayor and  
Members of the City Council:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Robins, Iowa as of and for the year ended June 30, 2014, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 12, 2015. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control we consider to be a material weakness.

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

### Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.


### The City of Robins' Responses to the Findings


The City of Robins' responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City of Robins' 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.

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

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

June 12, 2015

**City of Robins**

City of Robins

Schedule of Findings

Year ended June 30, 2014

**Finding Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCY:**

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. One person had control over each of the following areas for the City:
- (1) Cash – preparing bank reconciliations, initiating cash receipt and disbursement transactions and handling and recording cash.
  - (2) Receipts – opening mail, collecting, depositing, journalizing and posting.
  - (3) Utility receipts – entering rates, billing, collecting, depositing, posting and reconciling.
  - (4) Disbursements – purchasing, recording and reconciling.
  - (5) Payroll – entering rates, preparing and distributing.
  - (6) Computer system – performing all general accounting functions and controlling all data input and output.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City and the Robins Firefighters Association should review their control activities to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

Response – We will continue to strive toward maximum internal control.

Conclusion – Response accepted.



City of Robins

Schedule of Findings

Year ended June 30, 2014

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

City of Robins

Schedule of Findings

Year ended June 30, 2014

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

- (1) Certified Budget – Disbursements during the year ended June 30, 2014 did not exceed the amounts budgeted.
- (2) 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 were noted.
- (3) Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- (4) Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Mike Peebler, City Council member, employed by Kimball Midwest	Plow bolt	\$ 56
Marilyn Cook, City Council member, Son owns Cook Fence Co.	Cemetery fence repair	14,021

In accordance with Chapter 362.5(3)(k) of the Code of Iowa, the transactions with Kimball Midwest does not appear to represent a conflict of interest since the total transactions were less than \$2,500 during the fiscal year. The transaction for the cemetery fence repair does not appear to represent a conflict of interest since it was entered into through competitive bidding in accordance with Chapter 362.5(3)(d) of the Code of Iowa.

- (5) Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.
- (6) City Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.
- (7) 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.
- (8) Tax Increment Financing (TIF) – Chapter 403.19 of the Code of Iowa provides a municipality may certify loans, advances, indebtedness and bonds (indebtedness) to the County Auditor which qualify for reimbursement from incremental property tax. The County Auditor provides for the division of property tax to repay the certified indebtedness and provides available incremental property tax in subsequent fiscal years without further certification by the City until the amount of certified indebtedness is paid.

City of Robins

Schedule of Findings

Year ended June 30, 2014

Based on a review of the TIF reconciliation provided to the City by the County Auditor, the City has under certified TIF debt by \$721,860. Previous amounts certified by the City for the 2007, 2009 and 2011 general obligation notes/bonds included the principal but excluded the interest portion of these obligations. The City certified 100% of the Series 2011 general obligation bonds rather than the TIF portion of 79%. During the year ended June 30, 2014, the City requested TIF funding for a rebate agreement from the County Auditor using Form 2, but the City had not certified the development agreement as a TIF obligation on Form 1.

Recommendation – The City should use Form 1 to certify portions of TIF obligations which have not been certified and use Form 3 to de-certify amounts which have been over certified.

Response – We will continue to work with Linn County to complete the documents correctly.

Conclusion – Response accepted.

- (9) Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on November 12, 2013, prior to the December 1 deadline for filing. The TIF debt outstanding was understated by \$48,010. The City reported the June 30, 2013 balances on the rebate agreements rather than the June 30, 2012 balances and the amount reported for the Series 2011 general obligation bonds was 100% rather than the TIF portion of 79%.

Recommendation – The City should ensure the amounts reported as TIF debt outstanding agree with the City's records.

Response – We will strive to complete the document accurately.

Conclusion – Response accepted.

- (10) Financial Condition – The TIF Fund had a deficit balance of \$23,900 at June 30, 2014.

Recommendation – The City should investigate alternatives to eliminate this deficit in order to return the fund to a sound financial position.

Response – Even though receipts received from Linn County were less than requested, we will continue to strive to keep a positive balance.

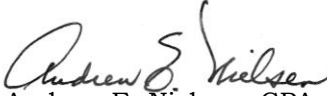
Conclusion – Response accepted.

City of Robins

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager  
Kelly L. Hilton, Senior Auditor  
April D. Harbst, Staff Auditor  
Melissa E. Janssen, Staff Auditor



Andrew E. Nielsen, CPA  
Deputy Auditor of State