



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE

March 31, 2016

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515/281-5834

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

The City's receipts totaled \$3,675,747 for the year ended June 30, 2015, a 52.2% decrease from the prior year. The receipts included \$1,132,829 in property tax, \$539,473 from charges for service, \$348,433 from operating grants, contributions and restricted interest, \$3,732 from capital grants, contributions and restricted interest, \$1,227,525 from tax increment financing, \$370,093 from local option sales tax, \$15,486 from unrestricted interest on investments and \$38,176 from other general receipts.

Disbursements for the year ended June 30, 2015 totaled \$4,793,176, a 15.4% decrease from the prior year, and included \$1,391,500 for debt service, \$1,205,060 for capital projects and \$582,234 for public works. Also, disbursements for business type activities totaled \$781,121.

The decrease in receipts is primarily due to bond proceeds received during the year ended June 30, 2014. The decrease in disbursements is primarily due to a decrease 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/1520-0551-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, 2015

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City of Robins

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chuck Hinz	Mayor	Jan 2018
Mike Peebler (Appointed Feb 2014)	Council Member	Nov 2015
Marilyn Cook	Council Member	Jan 2016
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, 2015, 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, 2015, 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 discussed 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.

Emphasis of a Matter

As discussed in Note 4, the City of Robins adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. 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 eight years ended June 30, 2014 (which are not presented herein) and expressed unqualified opinions on those 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 another 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, 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 8 through 13 and 32 through 42, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2016 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

March 2, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2015 FINANCIAL HIGHLIGHTS

- The cash basis net position of the City's governmental activities decreased 19.9%, or approximately \$786,000, to approximately \$3,155,000. The decrease is due primarily to spending bond proceeds received in the prior year.
- The cash basis net position of the City's business type activities decreased 27.4%, or approximately \$331,000, to approximately \$875,000. The decrease is due primarily to disbursements for capital projects in the Sewer Fund.
- The City's total cash basis net position decreased 21.7%, or approximately \$1,117,000, from June 30, 2014 to June 30, 2015.

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 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 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 and the sewer systems. 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.

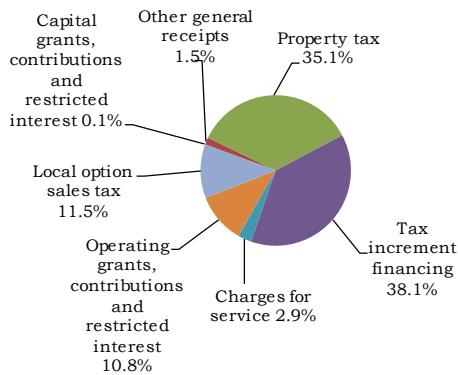
The required financial statement for proprietary funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

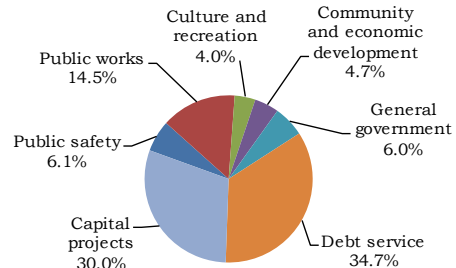
Net position may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities decreased from a year ago, from approximately \$3,941,000 to approximately \$3,155,000. The analysis that follows focuses on the changes in cash basis net position of governmental activities.

Changes in Cash Basis Net Position of Governmental Activities (Expressed in Thousands)		
	Year ended June 30,	
	2015	2014
Receipts:		
Program receipts:		
Charges for service	\$ 93	105
Operating grants, contributions and restricted interest	348	339
Capital grants, contributions and restricted interest	4	41
General receipts:		
Property tax	1,133	1,104
Tax increment financing	1,228	1,022
Local option sales tax	370	375
Bond proceeds, including \$50,978 of premium	-	4,276
Other general receipts	50	19
Total receipts	3,226	7,281
Disbursements:		
Public safety	244	249
Public works	582	274
Culture and recreation	159	261
Community and economic development	189	125
General government	241	325
Debt service	1,392	2,613
Capital projects	1,205	1,539
Total disbursements	4,012	5,386
Change in cash basis net position	(786)	1,895
Cash basis net position beginning of year	3,941	2,046
Cash basis net position end of year	\$ 3,155	3,941

Receipts by Source



Disbursements by Function



The City's total receipts for governmental activities decreased 55.7%, or approximately \$4,055,000. The total cost of all programs and services decreased approximately \$1,374,000 or 25.5%. The decrease in receipts was primarily due to bond proceeds received in the previous year. The decrease in disbursements was primarily due to lower debt service payments resulting from the prior year refunded general obligations notes.

The cost of all governmental activities this year was approximately \$4,012,000. 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 \$3,567,000, 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,	
	2015	2014
Receipts:		
Program receipts:		
Charges for service:		
Water	\$ 96	45
Sewer	351	351
General receipts:		
Unrestricted interest on investments	3	5
Total receipts	450	401
Disbursements:		
Water	18	16
Sewer	763	262
Total disbursements	781	278
Change in cash basis net position	(331)	123
Cash basis net position beginning of year	1,206	1,083
Cash basis net position end of year	\$ 875	1,206

The business type activities receipts for the fiscal year were approximately \$450,000, a 12.2% increase over last year. Disbursements for the fiscal year increased 181.0%, primarily due to disbursements for capital projects in the Sewer Fund.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Robins completed the year, its governmental funds reported a combined fund balance of \$3,154,935, a decrease of \$786,237 from last year's total of \$3,941,172. 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 \$63,489 to \$938,198. This increase is primarily due to an increase in property tax receipts and increased intergovernmental receipts.
- The Special Revenue, Road Use Tax Fund cash balance increased \$52,602 to \$384,342, partially due to an increase in road use tax receipts.

- 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 \$5,515, an increase of \$29,415 from the previous year. The increase 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 \$270,351 to \$1,472,685. The City is holding these funds in reserve for a sewer extension to the City of Cedar Rapids.
- The Debt Service Fund cash balance decreased \$1,516 to \$15,512.
- The Capital Projects Fund cash balance decreased \$1,201,328 from the prior year to \$175,387. The decrease is due primarily to spending bond proceeds received in the prior year.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Enterprise, Water Fund cash balance increased \$78,414 to \$248,684, due primarily to increased water main connection fees.
- The Enterprise, Sewer Fund cash balance decreased \$409,606 to \$626,213. This was due primarily to an increase in disbursements for the northwest quadrant lift station and sanitary sewer projects.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City amended its budget one time. The amendment resulted in an increase in budgeted disbursements of \$200,000 related to costs for storm damage clean up and the woodland water main extension project.

The City’s receipts were \$289,453 less than budgeted. This was primarily due to fewer grant receipts received than anticipated due to the delay in construction of the bridge at South Troy Park.

Total disbursements were \$2,523,512 less than the amended budget. Capital projects disbursements were \$1,107,720 less than the amended budget, primarily due to a delay in utility and street improvement projects.

DEBT ADMINISTRATION

At June 30, 2015, the City had \$6,975,000 of general obligation notes and bonds outstanding, compared to \$8,105,000 last year, as shown below.

Outstanding Debt at Year-End (Expressed in Thousands)		
	June 30,	
	2015	2014
General obligation notes	\$ 1,600	2,105
General obligation bonds	5,375	6,000
Total	\$ 6,975	8,105

The City redeemed \$1,130,000 of general obligation bonds and notes during fiscal year 2015.

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 \$6,975,000 is below its constitutional debt limit of approximately \$16,722,000.

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 2016 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 2014 was \$137,365,244 compared with the 2015 taxable valuation of \$146,684,947. 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 raise the property tax levy rate. The property tax levy rate increased slightly for the fiscal year 2016 budget to \$7.97137 per \$1,000 of taxable valuation compared to \$7.93060 per \$1,000 of taxable valuation for the fiscal year 2015 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, 2015

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety	\$ 243,937	76,132	19,140	-
Public works	582,234	-	329,293	-
Culture and recreation	159,261	14,505	-	-
Community and economic development	188,917	1,300	-	-
General government	241,146	925	-	-
Debt service	1,391,500	-	-	-
Capital projects	1,205,060	-	-	3,732
Total governmental activities	4,012,055	92,862	348,433	3,732
Business type activities:				
Water	17,955	95,651	-	-
Sewer	763,166	350,960	-	-
Total business type activities	781,121	446,611	-	-
Total	\$ 4,793,176	539,473	348,433	3,732

General Receipts:

Property and other city tax levied for:
 General purposes
 Debt service
Tax increment financing
Local option sales tax
Unrestricted interest on investments
Commercial/industrial tax replacement
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
(148,665)	-	(148,665)
(252,941)	-	(252,941)
(144,756)	-	(144,756)
(187,617)	-	(187,617)
(240,221)	-	(240,221)
(1,391,500)	-	(1,391,500)
(1,201,328)	-	(1,201,328)
(3,567,028)	-	(3,567,028)
-	77,696	77,696
-	(412,206)	(412,206)
-	(334,510)	(334,510)
(3,567,028)	(334,510)	(3,901,538)
944,320	-	944,320
188,509	-	188,509
1,227,525	-	1,227,525
370,093	-	370,093
12,168	3,318	15,486
25,634	-	25,634
12,542	-	12,542
2,780,791	3,318	2,784,109
(786,237)	(331,192)	(1,117,429)
3,941,172	1,206,089	5,147,261
\$ 3,154,935	874,897	4,029,832
\$ 384,342	-	384,342
21,027	-	21,027
1,472,685	-	1,472,685
175,387	-	175,387
163,296	-	163,296
938,198	874,897	1,813,095
\$ 3,154,935	874,897	4,029,832

City of Robins

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

As of and for the year ended June 30, 2015

	Special Revenue			
	General	Road Use Tax	Urban Renewal Tax Increment	Local Option Sales Tax
Receipts:				
Property tax	\$ 944,320	-	-	-
Tax increment financing	-	-	1,227,525	-
Local option sales tax	-	-	-	370,093
Licenses and permits	66,141	-	-	-
Use of money and property	13,368	-	-	5,258
Intergovernmental	29,025	326,713	-	-
Charges for service	15,480	-	-	-
Miscellaneous	23,774	-	-	-
Total receipts	1,092,108	326,713	1,227,525	375,351
Disbursements:				
Operating:				
Public safety	236,172	-	-	-
Public works	308,123	274,111	-	-
Culture and recreation	159,261	-	-	-
Community and economic development	83,917	-	-	105,000
General government	241,146	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Total disbursements	1,028,619	274,111	-	105,000
Excess (deficiency) of receipts over (under) disbursements	63,489	52,602	1,227,525	270,351
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(1,198,110)	-
Total other financing sources (uses)	-	-	(1,198,110)	-
Change in cash balances	63,489	52,602	29,415	270,351
Cash balances beginning of year	874,709	331,740	(23,900)	1,202,334
Cash balances end of year	\$ 938,198	384,342	5,515	1,472,685
Cash Basis Fund Balances				
Restricted for:				
Streets	\$ -	384,342	-	-
Debt service	-	-	5,515	-
Local option sales tax	-	-	-	1,472,685
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Unassigned	938,198	-	-	-
Total cash basis fund balances	\$ 938,198	384,342	5,515	1,472,685

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
188,509	-	-	1,132,829
-	-	-	1,227,525
-	-	-	370,093
-	-	-	66,141
-	3,732	552	22,910
3,365	-	-	359,103
-	-	-	15,480
-	-	7,963	31,737
191,874	3,732	8,515	3,225,818
-	-	7,765	243,937
-	-	-	582,234
-	-	-	159,261
-	-	-	188,917
-	-	-	241,146
1,391,500	-	-	1,391,500
-	1,205,060	-	1,205,060
1,391,500	1,205,060	7,765	4,012,055
(1,199,626)	(1,201,328)	750	(786,237)
1,198,110	-	-	1,198,110
-	-	-	(1,198,110)
1,198,110	-	-	-
(1,516)	(1,201,328)	750	(786,237)
17,028	1,376,715	162,546	3,941,172
15,512	175,387	163,296	3,154,935
-	-	-	384,342
15,512	-	-	21,027
-	-	-	1,472,685
-	175,387	-	175,387
-	-	163,296	163,296
-	-	-	938,198
15,512	175,387	163,296	3,154,935

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, 2015

	Enterprise		
	Water	Sewer	Total
Operating receipts:			
Charges for service	\$ 95,651	350,960	446,611
Operating disbursements:			
Business type activities	11,364	276,234	287,598
Excess of operating receipts over operating disbursements	84,287	74,726	159,013
Non-operating receipts (disbursements):			
Interest on investments	718	2,600	3,318
Capital outlay	(6,591)	(486,932)	(493,523)
Net non-operating receipts (disbursements)	(5,873)	(484,332)	(490,205)
Change in cash balances	78,414	(409,606)	(331,192)
Cash balances beginning of year	170,270	1,035,819	1,206,089
Cash balances end of year	\$ 248,684	626,213	874,897
Cash Basis Fund Balances			
Unrestricted	\$ 248,684	626,213	874,897

See notes to financial statements.

City of Robins

Notes to Financial Statements

June 30, 2015

(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, Linn County Joint E911 Service Board and Indian Creek/Dry Run Creek Sanitary Sewer System 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 two categories:

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

The Urban Renewal Tax Increment Fund is used to account for 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, 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 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		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
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	-	-	690,000	79,782	690,000	79,782	769,782
2021-2025	-	-	2,090,000	172,558	2,090,000	172,558	2,262,558
Total	\$ 1,600,000	138,669	5,375,000	724,538	6,975,000	863,207	7,838,207

(4) Pension Plan

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 the 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.

The formula used to calculate a protection occupation member's monthly IPERS' benefit includes:

- 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 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% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month 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.

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. State statute limits the amount contribution rates can increase or decrease each year to 1%. IPERS Contribution Rate Funding Policy requires 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% of covered payroll and the City contributed 8.93% for a total rate of 14.88%. Protection occupation members contributed 6.76% of covered payroll and the City contributed 10.14% for a total rate of 16.90%.

The City's contributions to IPERS for the year ended June 30, 2015 were \$30,972.

Collective Net Pension Liability, Collective Pension Expense, 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 \$116,115. 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2014, the City's proportion was 0.002928%, which was a decrease of 0.000362% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City's collective pension expense, collective deferred outflows of resources and collective deferred inflows of resources totaled \$11,873, \$7,438 and \$72,130, 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% per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rate vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% 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.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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	1	(0.69)
Total	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, the IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' 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 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate is 1% lower (6.50%) or 1% higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$ 114,954	\$ 116,115	\$ 117,276

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(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 ranged from \$1,427 to \$1,687 for family coverage. For the year ended June 30, 2015, the City contributed \$35,183 and plan members eligible for benefits contributed \$3,909 to the plan.

(6) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and compensatory leave 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 and compensatory leave payable to employees at June 30, 2015, primarily relating to the General Fund and the Special Revenue, Road Use Tax Fund, totaled \$13,240. This liability has been computed based on rates of pay in effect at June 30, 2015.

(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 \$21,909,373 is outstanding at June 30, 2015. 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) Construction Contracts

The City has entered into various construction contracts totaling \$1,244,174 for street improvements and \$1,245,520 for water and sewer extension projects. At June 30, 2015, a cumulative total of \$251,211 remains unpaid on these projects and will be funded through local sources, as necessary.

(10) Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service	Special Revenue:	
	Urban Renewal Tax Increment	<u>\$ 1,198,110</u>

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

(11) 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.

(12) Indian Creek and Dry Run Creek Sanitary Sewer System Program

On January 11, 2007, the City entered into a 28E agreement with Linn County and the cities of Cedar Rapids, Marion and Hiawatha for the planning, construction and maintenance of the Indian Creek and Dry Run Creek Sanitary Sewer System. This agreement provides for construction costs totaling approximately \$25.5 million for the Dry Run and Indian Creek Trunk Sewers upgrade which will be accomplished in multiple phases through the year 2023. The construction costs will be proportionally allocated to each jurisdiction as defined in the agreement. The portion to be paid by the City is estimated to be approximately \$12 million. The City intends to use available funds from the sewer utility and local option sales tax receipts to pay its portion of construction costs. During the year ended June 30, 2015, the City paid \$105,000 from the Special Revenue, Local Option Sales Tax Fund and \$486,932 from the Enterprise, Sewer Fund pursuant to the agreement. The cumulative amount paid toward the project at June 30, 2015 was \$1,254,780.

(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, 2015, the City made payments totaling \$18,692 from the Debt Service Fund. The cumulative amount rebated at June 30, 2015 was \$169,994.

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, 2015, the City made payments totaling \$6,769 from the Debt Service Fund. The cumulative amount rebated at June 30, 2015 was \$28,135.

(14) Subsequent Events

In July 2015, the City entered into a contract with L.L. Pelling Co. totaling \$41,337 for a seal coat overlay project along portions of various streets within the City.

In July 2015, the City entered into a contract with Pierce Manufacturing for \$486,642 for a fire pumper truck.

In December 2015, the City entered into a contract with Peterson Contractors for \$614,580 for the South Troy Park Trail and Bridge project.

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, 2015

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 1,132,829	-	-
Tax increment financing	1,227,525	-	-
Local option sales tax	370,093	-	-
Licenses and permits	66,141	-	-
Use of money and property	22,910	3,318	5
Intergovernmental	359,103	-	-
Charges for service	15,480	446,611	-
Miscellaneous	31,737	-	7,963
Total receipts	3,225,818	449,929	7,968
Disbursements:			
Public safety	243,937	-	7,765
Public works	582,234	-	-
Culture and recreation	159,261	-	-
Community and economic development	188,917	-	-
General government	241,146	-	-
Debt service	1,391,500	-	-
Capital projects	1,205,060	-	-
Business type activities	-	781,121	-
Total disbursements	4,012,055	781,121	7,765
Excess (deficiency) of receipts over (under) disbursements	(786,237)	(331,192)	203
Balances beginning of year	3,941,172	1,206,089	10,999
Balances end of year	\$ 3,154,935	874,897	11,202

See accompanying independent auditor's report.

Total	Budgeted Amounts		Final to Total Variance
	Original	Final	
1,132,829	1,136,781	1,136,781	(3,952)
1,227,525	1,250,260	1,250,260	(22,735)
370,093	331,506	331,506	38,587
66,141	22,000	22,000	44,141
26,223	11,500	11,500	14,723
359,103	760,345	760,345	(401,242)
462,091	422,140	422,140	39,951
23,774	22,700	22,700	1,074
3,667,779	3,957,232	3,957,232	(289,453)
236,172	256,802	256,802	20,630
582,234	575,553	775,553	193,319
159,261	751,158	751,158	591,897
188,917	194,265	194,265	5,348
241,146	271,232	271,232	30,086
1,391,500	1,426,039	1,426,039	34,539
1,205,060	2,377,780	2,312,780	1,107,720
781,121	1,256,094	1,321,094	539,973
4,785,411	7,108,923	7,308,923	2,523,512
(1,117,632)	(3,151,691)	(3,351,691)	2,234,059
5,136,262	4,807,103	5,136,263	(1)
4,018,630	1,655,412	1,784,572	2,234,058

City of Robins

City of Robins

Notes 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 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 \$200,000. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2015, disbursements did not exceed the amount budgeted in any function.

City of Robins

Schedule of the City's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*
(In Thousands)

Other Information

	<u>2015</u>
City's proportion of the net pension liability	0.002928%
City's proportionate share of the net pension liability	\$ 116
City's covered-employee payroll	\$ 305
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	38.03%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

City of Robins

City of Robins

Schedule of City Contributions

Iowa Public Employees' Retirement System
Last Ten Fiscal Years
(In Thousands)

Other Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 31	28	26	23
Contributions in relation to the statutorily required contribution	<u>(31)</u>	<u>(28)</u>	<u>(26)</u>	<u>(23)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 337	305	292	258
Contributions as a percentage of covered-employee payroll	9.20%	9.18%	8.90%	8.91%

* City's covered-employee payroll information was not readily available. Therefore, contributions as a percentage of covered-employee payroll could not be calculated.

See accompanying independent auditor's report.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
20	18	16	15	13	9
<u>(20)</u>	<u>(18)</u>	<u>(16)</u>	<u>(15)</u>	<u>(13)</u>	<u>(9)</u>
-	-	-	-	-	-
241	227	*	*	*	*
8.30%	7.93%	*	*	*	*

City of Robins

City of Robins

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% per year measured from the member's first unreduced retirement age to a 6% 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% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% 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% to 4.00%.
- Lowered the inflation assumption from 3.50% to 3.25%.
- Lowered disability rates for sheriffs, deputies and protection occupation members.

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, 2015

	Special Revenue		
	Jimmy Shimek Trust	Firefighters Association	Total
Receipts:			
Use of money and property	\$ 547	5	552
Miscellaneous	-	7,963	7,963
Total receipts	547	7,968	8,515
Disbursements:			
Operating:			
Public safety	-	7,765	7,765
Change in cash balances	547	203	750
Cash balances beginning of year	151,547	10,999	162,546
Cash balances end of year	\$ 152,094	11,202	163,296
Cash Basis Fund Balances			
Restricted for:			
Other purposes	\$ 152,094	11,202	163,296

See accompanying independent auditor's report.

City of Robins
Schedule of Indebtedness
Year ended June 30, 2015

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation notes:			
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
820,000	-	260,000	560,000	33,581
1,285,000	-	245,000	1,040,000	48,188
<u>\$ 2,105,000</u>	-	<u>505,000</u>	<u>1,600,000</u>	<u>81,769</u>
1,970,000	-	195,000	1,775,000	53,655
4,030,000	-	430,000	3,600,000	98,615
<u>\$ 6,000,000</u>	-	<u>625,000</u>	<u>5,375,000</u>	<u>152,270</u>

City of Robins
 Bond and Note Maturities
 June 30, 2015

General Obligation Notes						
	Corporate Purpose – Parking Lots and Building Improvements Issued Jul 18, 2007			Corporate Purpose– Street, Bridge and Utility System Improvements Issued Apr 15, 2009		
	Year Ending June 30,	Interest Rates	Amount	Interest Rates	Amount	Total
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>\$ 560,000</u>		<u>\$ 1,040,000</u>	<u>1,600,000</u>	

See accompanying independent auditor's report.

General Obligation Bonds						
Year Ending June 30,	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	Total
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>\$ 1,775,000</u>			<u>\$ 3,600,000</u>	<u>5,375,000</u>

City of Robins

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

For the Last Ten Years

	2015	2014	2013	2012
Receipts:				
Property tax	\$ 1,132,829	1,103,858	1,053,158	990,607
Tax increment financing	1,227,525	1,022,665	1,050,732	1,129,477
Local option sales tax	370,093	374,629	354,228	376,780
Licenses and permits	66,141	78,932	38,204	35,320
Use of money and property	22,910	23,368	22,786	35,250
Intergovernmental	359,103	354,347	332,494	315,331
Charges for service	15,480	14,349	6,890	8,020
Miscellaneous	31,737	34,078	40,193	180,025
Total	\$ 3,225,818	3,006,226	2,898,685	3,070,810
Disbursements:				
Operating:				
Public safety	\$ 243,937	248,751	261,343	225,268
Public works	582,234	274,371	297,093	590,332
Culture and recreation	159,261	261,115	206,047	365,190
Community and economic development	188,917	125,346	111,383	62,256
General government	241,146	324,893	216,025	268,188
Debt service	1,391,500	2,613,283	1,353,834	1,320,919
Capital projects	1,205,060	1,539,032	1,950,216	874,081
Total	\$ 4,012,055	5,386,791	4,395,941	3,706,234

See accompanying independent auditor's report.

2011	2010	2009	2008	2007	2006
994,591	918,796	746,839	694,346	556,095	479,995
985,627	1,007,776	976,424	756,761	835,648	680,746
311,935	264,959	-	-	-	-
38,721	89,384	41,782	60,722	52,155	37,425
40,501	43,751	50,450	92,851	93,844	70,847
303,240	1,133,937	413,461	211,978	210,803	182,257
7,970	12,398	65,708	29,404	21,765	19,240
42,027	31,053	22,902	28,992	253,077	30,438
<u>2,724,612</u>	<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>
218,291	221,403	188,362	184,840	206,272	218,537
425,325	321,988	386,834	362,340	333,534	274,271
77,021	67,203	314,790	109,835	65,691	48,232
53,809	53,100	51,864	88,060	61,611	4,000
190,427	207,718	218,209	221,225	200,731	243,373
1,819,261	1,058,388	1,135,986	926,298	921,750	895,014
<u>1,533,425</u>	<u>1,860,575</u>	<u>900,965</u>	<u>1,179,638</u>	<u>1,671,272</u>	<u>829,541</u>
<u>4,317,559</u>	<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



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

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, 2015, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 2, 2016. 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control described in the accompanying Schedule of Findings as item (A) we consider 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, 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.


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

March 2, 2016

City of Robins

Schedule of Findings

Year ended June 30, 2015

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 and the Robins Firefighters Association:
- (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.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

City of Robins

Schedule of Findings

Year ended June 30, 2015

Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2015 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:

Name, Title and Business Connection	Transaction Description	Amount
Mike Peebler, City Council member, employed by Kimball Midwest	Plow bolt	\$ 81
Brad Sevcik, City Council member, employed by Delaney Construction	Sidewalk repair	2,040

In accordance with Chapter 362.5(3)(k) of the Code of Iowa, these transactions do not appear to represent a conflict of interest since the total transactions with each individual were less than \$2,500 during the fiscal year.

- (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.

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%.

City of Robins

Schedule of Findings

Year ended June 30, 2015

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

Response – We will continue to work 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 or before December 1. However, the TIF debt outstanding was overstated by \$1,018,687. The amount reported for the Series 2011 and Series 2007 general obligation bonds was 100% rather than the TIF portion of 79%. In addition, the City reported the June 30, 2014 balances on the rebate agreements rather than the June 30, 2013 balances.

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.

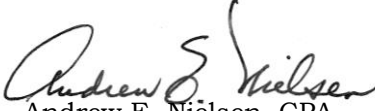
Conclusion – Response accepted.

City of Robins

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
April D. Harbst, Senior Auditor
Dan S. Nilsen, Staff Auditor



Andrew E. Nielsen, CPA
Deputy Auditor of State