



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE

July 28, 2009

Contact: Andy Nielsen
515/281-5834

Auditor of State David A. Vaudt today released an audit report on the City of Robins, Iowa.

The City's receipts totaled \$4,428,593 for the year ended June 30, 2008, an 82 percent increase over 2007. The receipts included \$694,346 in property tax, \$486,763 from charges for service, \$221,637 from operating grants, contributions and restricted interest, \$66,656 from capital grants, contributions and restricted interest, \$756,761 from tax increment financing, \$52,279 from unrestricted interest on investments, \$2,142,052 from note proceeds and \$8,099 from other general receipts.

Disbursements for the year totaled \$3,214,788, a 13 percent decrease from the prior year, and included \$1,179,638 for capital projects, \$926,298 for debt service and \$362,340 for public works. Also, disbursements for business type activities totaled \$142,552.

The increase in receipts over the prior year is due primarily to the receipt of general obligation note proceeds. The decrease in disbursements is due primarily to the completion of capital projects during fiscal year 2008.

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/reports.htm>.

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

JUNE 30, 2008

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City of Robins

Officials

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|------------------------------|-----------------|---------------------|
| (Before January 2008) | | |
| Joel D. Miller | Mayor | Jan 2008 |
| Marilyn Cook | Council Member | Jan 2008 |
| Chuck Hinz | Council Member | Jan 2008 |
| JD Smith | Council Member | Jan 2008 |
| Eric Thomas | Council Member | Jan 2008 |
| Cathy Welton | Council Member | Jan 2008 |
| Lori Pickart | Clerk/Treasurer | Indefinite |
| Liz Schura | Assistant Clerk | Indefinite |
| Don Hoskins | Attorney | Indefinite |
| (After January 2008) | | |
| Ian Cullis | Mayor | Jan 2010 |
| Randy Fouts | Council Member | Jan 2010 |
| Don Norton | Council Member | Jan 2010 |
| Marilyn Cook | Council Member | Jan 2012 |
| Chuck Hinz | Council Member | Jan 2012 |
| Roger Overbeck | Council Member | Jan 2012 |
| Lori Pickart | Clerk/Treasurer | Indefinite |
| Liz Schura | Assistant 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:

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, 2008, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the City of Robins' management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

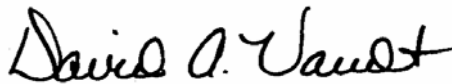
As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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, 2008, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

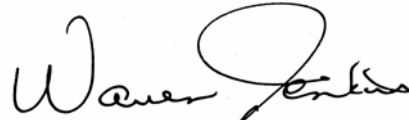
In accordance with Government Auditing Standards, we have also issued our report dated June 3, 2009 on our consideration of the City of Robins' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 12 and 28 through 30 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Robin's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the year ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. We also previously audited, in accordance with the standards referred to in the second 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. Other supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

June 3, 2009

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, 2008. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2008 FINANCIAL HIGHLIGHTS

- The cash basis net assets of the City's governmental activities increased \$974,870 to \$1,634,519, primarily due to delayed capital projects for a federally funded bridge replacement and a joint sewer upgrade project with the City of Cedar Rapids.
- The cash basis net assets of the City's business type activities increased \$238,935 to \$757,515. The increase is primarily due to increased reserves for the delayed joint sewer upgrade project with the City of Cedar Rapids.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Other Supplementary Information provides detailed information about the 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 Statement of Activities and Net Assets reports information which helps answer this question.

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

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

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

Fund Financial Statements

The City has three kinds of funds:

1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Road Use Tax and Urban Renewal Tax Increment, 3) the Debt Service Fund 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.

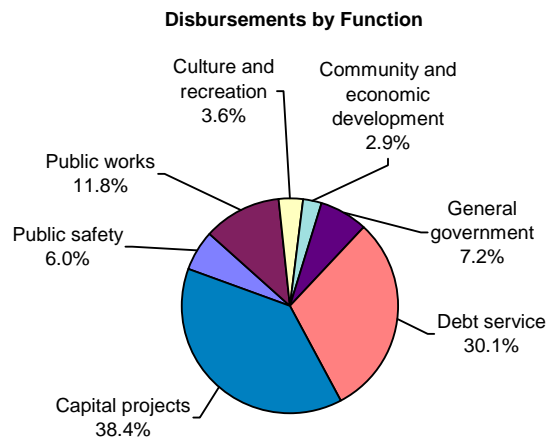
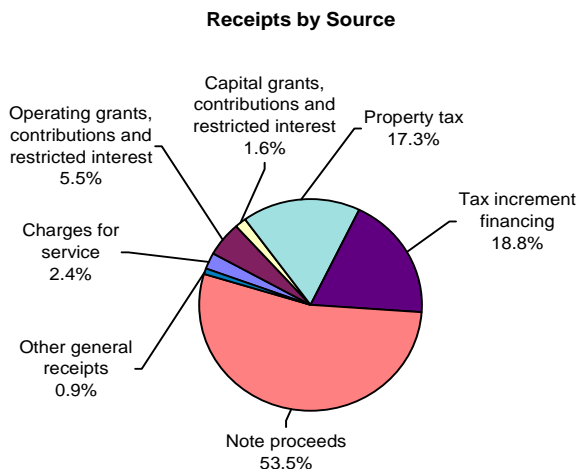
3) Fiduciary funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the City's own programs. The fiduciary fund includes the Agency Fund that accounts for subdivision security deposits.

The financial statement for the fiduciary fund is a statement of cash receipts, disbursements and changes in cash balances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, from \$659,649 to \$1,634,519. The analysis that follows focuses on the changes in cash basis net assets of governmental activities.

| Changes in Cash Basis Net Assets of Governmental Activities (Expressed in Thousands) | | |
|---|---------------------|--------------|
| | Year ended June 30, | |
| | 2008 | 2007 |
| Receipts: | | |
| Program receipts: | | |
| Charges for service | \$ 98 | 106 |
| Operating grants, contributions and restricted interest | 222 | 231 |
| Capital grants, contributions and restricted interest | 66 | 83 |
| General receipts: | | |
| Property tax | 694 | 556 |
| Tax increment financing | 757 | 835 |
| Note proceeds | 2,142 | 68 |
| Other general receipts | 38 | 77 |
| Total receipts | 4,017 | 1,956 |
| Disbursements: | | |
| Public safety | 185 | 206 |
| Public works | 362 | 333 |
| Culture and recreation | 110 | 66 |
| Community and economic development | 88 | 61 |
| General government | 221 | 201 |
| Debt service | 926 | 922 |
| Capital projects | 1,180 | 1,671 |
| Total disbursements | 3,072 | 3,460 |
| Change in cash basis net assets before transfers | 945 | (1,504) |
| Transfers, net | 30 | 30 |
| Change in cash basis net assets | 975 | (1,474) |
| Cash basis net assets beginning of year, as restated | 660 | 2,134 |
| Cash basis net assets end of year | \$ 1,635 | 660 |



The City's total receipts for governmental activities increased 105%, or approximately \$2,061,000. The total cost of all programs and services decreased approximately \$388,000. The increase in receipts was primarily the result of an increase in the amount of note proceeds received in FY08 compared to note proceeds received in FY07. The decrease in disbursements was primarily due to a decrease in capital projects activity from FY07.

The cost of all governmental activities this year was \$3,072,236. However, as shown in the Statement of Activities and Net Assets on pages 14 and 15, the amount financed by property and other city tax for these activities was \$1,451,107, with the remainder paid for with user fees, grants, contributions, interest on investments, fund balances and note proceeds.

| Changes in Cash Basis Net Assets of Business Type Activities | | |
|--|---------------------|-------------|
| (Expressed in Thousands) | | |
| | Year ended June 30, | |
| | 2008 | 2007 |
| Receipts: | | |
| Program receipts: | | |
| Charges for service: | | |
| Water | \$ 63 | 59 |
| Sewer | 326 | 221 |
| General receipts: | | |
| Unrestricted interest on investments | 23 | 19 |
| Total receipts | <u>412</u> | <u>299</u> |
| Disbursements: | | |
| Water | 16 | 69 |
| Sewer | 127 | 173 |
| Total disbursements | <u>143</u> | <u>242</u> |
| Change in cash basis net assets before transfers | 269 | 57 |
| Transfers, net | <u>(30)</u> | <u>(30)</u> |
| Change in cash basis net assets | 239 | 27 |
| Cash basis net assets beginning of year | <u>518</u> | <u>491</u> |
| Cash basis net assets end of year | <u>\$ 757</u> | <u>518</u> |

The business type activities receipts for the fiscal year were \$411,487 compared to \$299,749 last year. Sewer charges increased approximately \$105,000 as a result of an increase in fees for new developments. Disbursements for the fiscal year decreased 40.9% to approximately \$143,000. The decrease in disbursements was due primarily to less water and sewer projects in fiscal year 2008. As a result, the cash balance increased 46%, or \$238,935, over the prior year.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Robins completed the year, its governmental funds reported a combined fund balance of \$1,634,519, an increase of \$974,870 over last year's total of \$659,649. 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 decreased \$12,240 from the prior year to \$186,459. The decrease is primarily due to increased costs for a new park development and drainage improvements.
- The Special Revenue, Road Use Tax Fund cash balance decreased \$27,345 to \$137,561 during the fiscal year.

- 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 \$75,864, a decrease of \$17,747 from the previous year. The decrease was the result of the timing of the collection, transfer and payment of TIF debt obligations.
- The Debt Service Fund cash balance increased \$1,346 to \$1,830 from the prior year's balance of \$484.
- The Capital Projects Fund cash balance increased \$1,029,070 to \$1,221,429 during the fiscal year. The increase was due to the receipt of note proceeds and the delay of capital projects.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Water Fund cash balance increased \$40,557 to \$127,887. This increase was due to connection fees received from new home construction.
- The Sewer Fund cash balance increased \$198,378 to \$629,628, due primarily to increases in sewer connection fees and new home construction in the City.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City amended its budget one time. The amendment was approved on April 7, 2008 and resulted in a decrease in operating disbursements of \$699,940, affecting various functions, primarily capital projects. Capital projects was amended as a result of improvement project delays. The budget amendment also resulted in an increase in revenues and other financing sources of \$2,322,418, mainly affecting note sale receipts and use of money and property.

The City's total receipts were \$319,239 less than budgeted. Intergovernmental receipts were \$489,536 less than budgeted. This was primarily due to the City receiving less reimbursement for the federal bridge replacement project than anticipated, even after the amendment.

Even with the budget amendment, total disbursements were \$990,103 less than the amended budget. Capital projects function disbursements were \$367,202 less than the amended budget, primarily due to the non-completion of capital improvements. In addition, the actual disbursements for the culture and recreation and business-type activities functions were \$170,297 and \$378,545, respectively, less than the amended budget. This was primarily due to unanticipated delays in park development and enterprise capital projects.

During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted by function. However, disbursements did exceed the amount budgeted for the public works function prior to budget amendment approval.

DEBT ADMINISTRATION

At June 30, 2008, the City had \$6,197,739 in general obligation notes, bonds and other long-term debt outstanding, compared to \$4,696,678 last year, as shown below.

| | Outstanding Debt at Year-End | |
|---------------------------|------------------------------|------------------|
| | June 30, | |
| | 2008 | 2007 |
| General obligation notes | \$5,890,000 | 4,280,000 |
| General obligation bonds | 265,000 | 345,000 |
| Lease purchase agreements | 42,739 | 71,678 |
| Total | \$6,197,739 | 4,696,678 |

Debt increased from the prior year as a result of a note sale for upcoming capital projects.

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 \$6,197,739 is below its constitutional debt limit of \$10,432,773.

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 2009 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, we benefit from the low unemployment rate and anticipate 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 existing circumstances which could affect its financial health in the future.

- The United States Census Bureau performed a special census in September of 2005. The population of the City increased 629 persons in the 5-year span from 2000 to 2005, with a population of 2,435 persons in 864 housing units.
- The City's tax valuation in 2000 was \$92,187,347 compared with a 2007 valuation of \$247,096,005. This is due to the increase of residential homes within the City.
- The City has recently annexed approximately 160 acres located along Interstate 380 intended for commercial and residential development.
- The City has also annexed approximately 350 acres located north of County Home Road in the area of the I-380 interchange, also intended for both commercial and residential development.
- With the continued growth, the City has been very diligent relating to not raising the tax levy. The tax levy for the FY 08/09 budget is \$9.18340 per \$1,000 of taxable valuation compared to \$9.33124 per \$1,000 of taxable valuation for FY 07/08.
- The City has taken an aggressive approach to community development by developing a 7-acre municipal park. The City also received a \$75,000 REAP grant to expand the current municipal park by 21 acres, which provided access to the Cedar Valley Nature Trail.

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.

Basic Financial Statements

City of Robins

Statement of Activities and Net Assets – Cash Basis

As of and for the year ended June 30, 2008

| | Disbursements | Program Receipts | | |
|------------------------------------|---------------|---------------------|---|---|
| | | Charges for Service | Operating Grants, Contributions and Restricted Interest | Capital Grants, Contributions and Restricted Interest |
| Functions/Programs: | | | | |
| Governmental activities: | | | | |
| Public safety | \$ 184,840 | 78,585 | 12,029 | - |
| Public works | 362,340 | - | 202,408 | - |
| Culture and recreation | 109,835 | 2,965 | 7,200 | - |
| Community and economic development | 88,060 | 16,094 | - | - |
| General government | 221,225 | 475 | - | - |
| Debt service | 926,298 | - | - | 66,656 |
| Capital projects | 1,179,638 | - | - | - |
| Total governmental activities | 3,072,236 | 98,119 | 221,637 | 66,656 |
| Business type activities: | | | | |
| Water | 15,817 | 62,684 | - | - |
| Sewer | 126,735 | 325,960 | - | - |
| Total business type activities | 142,552 | 388,644 | - | - |
| Total | \$ 3,214,788 | 486,763 | 221,637 | 66,656 |

General Receipts:

| |
|--|
| Property and other city tax levied for: |
| General purposes |
| Tax increment financing |
| Debt service |
| Unrestricted interest on investments |
| Note proceeds, net of \$13,948 discount |
| Miscellaneous |
| Transfers |
| Total general receipts and transfers |
| Change in cash basis net assets |
| Cash basis net assets beginning of year, as restated |
| Cash basis net assets end of year |

Cash Basis Net Assets

| |
|------------------------|
| Restricted: |
| Streets |
| Urban renewal purposes |
| Debt service |
| Capital projects |
| Other purposes |
| Unrestricted |

Total cash basis net assets

See notes to financial statements.

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

| Governmental Activities | Business Type Activities | Total |
|----------------------------|-----------------------------|-------------|
| (94,226) | - | (94,226) |
| (159,932) | - | (159,932) |
| (99,670) | - | (99,670) |
| (71,966) | - | (71,966) |
| (220,750) | - | (220,750) |
| (859,642) | - | (859,642) |
| (1,179,638) | - | (1,179,638) |
| (2,685,824) | - | (2,685,824) |
| - | 46,867 | 46,867 |
| - | 199,225 | 199,225 |
| - | 246,092 | 246,092 |
| (2,685,824) | 246,092 | (2,439,732) |
| 571,210 | - | 571,210 |
| 756,761 | - | 756,761 |
| 123,136 | - | 123,136 |
| 29,436 | 22,843 | 52,279 |
| 2,142,052 | - | 2,142,052 |
| 8,099 | - | 8,099 |
| 30,000 | (30,000) | - |
| 3,660,694 | (7,157) | 3,653,537 |
| 974,870 | 238,935 | 1,213,805 |
| 659,649 | 518,580 | 1,178,229 |
| \$ 1,634,519 | 757,515 | 2,392,034 |
| \$ 137,561 | - | 137,561 |
| 75,864 | - | 75,864 |
| 1,830 | - | 1,830 |
| 1,221,429 | - | 1,221,429 |
| 11,376 | - | 11,376 |
| 186,459 | 757,515 | 943,974 |
| \$ 1,634,519 | 757,515 | 2,392,034 |

City of Robins

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

As of and for the year ended June 30, 2008

| | Special Revenue | | |
|--|-------------------|--------------------|-----------------------------------|
| | General | Road Use Tax | Urban Renewal Tax Increment |
| Receipts: | | | |
| Property tax | \$ 571,210 | - | - |
| Tax increment financing | - | - | 756,761 |
| Licenses and permits | 60,722 | - | - |
| Use of money and property | 26,153 | - | - |
| Intergovernmental | 3,366 | 208,612 | - |
| Charges for service | 29,404 | - | - |
| Miscellaneous | 20,328 | - | - |
| Total receipts | <u>711,183</u> | <u>208,612</u> | <u>756,761</u> |
| Disbursements: | | | |
| Operating: | | | |
| Public safety | 177,920 | - | - |
| Public works | 132,587 | 229,753 | - |
| Culture and recreation | 109,835 | - | - |
| Community and economic development | 88,060 | - | - |
| General government | 221,225 | - | - |
| Debt service | - | - | - |
| Capital projects | - | - | - |
| Total disbursements | <u>729,627</u> | <u>229,753</u> | <u>-</u> |
| Excess (deficiency) of receipts over (under) disbursements | <u>(18,444)</u> | <u>(21,141)</u> | <u>756,761</u> |
| Other financing sources (uses): | | | |
| Note proceeds, net of \$13,948 discount | - | - | - |
| Operating transfers in | 6,204 | - | - |
| Operating transfers out | - | (6,204) | (774,508) |
| Total other financing sources (uses) | <u>6,204</u> | <u>(6,204)</u> | <u>(774,508)</u> |
| Net change in cash balances | (12,240) | (27,345) | (17,747) |
| Cash balances beginning of year, as restated | <u>198,699</u> | <u>164,906</u> | <u>93,611</u> |
| Cash balances end of year | <u>\$ 186,459</u> | <u>137,561</u> | <u>75,864</u> |
| Cash Basis Fund Balances | | | |
| Reserved for debt service | \$ - | - | - |
| Unreserved: | | | |
| General fund | 186,459 | - | - |
| Special revenue funds | - | 137,561 | 75,864 |
| Capital projects fund | - | - | - |
| Total cash basis fund balances | <u>\$ 186,459</u> | <u>137,561</u> | <u>75,864</u> |

See notes to financial statements.

| Debt Service | Capital Projects | Nonmajor Special Revenue | | Total |
|----------------|------------------|--------------------------|---|------------------|
| | | Firefighters Association | | |
| 123,136 | - | - | - | 694,346 |
| - | - | - | - | 756,761 |
| - | - | - | - | 60,722 |
| - | 66,656 | 42 | - | 92,851 |
| - | - | - | - | 211,978 |
| - | - | - | - | 29,404 |
| - | - | 8,664 | - | 28,992 |
| <u>123,136</u> | <u>66,656</u> | <u>8,706</u> | | <u>1,875,054</u> |
| - | - | 6,920 | - | 184,840 |
| - | - | - | - | 362,340 |
| - | - | - | - | 109,835 |
| - | - | - | - | 88,060 |
| - | - | - | - | 221,225 |
| 926,298 | - | - | - | 926,298 |
| - | 1,179,638 | - | - | 1,179,638 |
| <u>926,298</u> | <u>1,179,638</u> | <u>6,920</u> | | <u>3,072,236</u> |
| (803,162) | (1,112,982) | 1,786 | | (1,197,182) |
| - | 2,142,052 | - | - | 2,142,052 |
| 804,508 | - | - | - | 810,712 |
| - | - | - | - | (780,712) |
| <u>804,508</u> | <u>2,142,052</u> | <u>-</u> | | <u>2,172,052</u> |
| 1,346 | 1,029,070 | 1,786 | | 974,870 |
| 484 | 192,359 | 9,590 | | 659,649 |
| <u>1,830</u> | <u>1,221,429</u> | <u>11,376</u> | | <u>1,634,519</u> |
| 1,830 | - | - | | 1,830 |
| - | - | - | | 186,459 |
| - | - | 11,376 | | 224,801 |
| - | 1,221,429 | - | | 1,221,429 |
| <u>1,830</u> | <u>1,221,429</u> | <u>11,376</u> | | <u>1,634,519</u> |

City of Robins

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

As of and for the year ended June 30, 2008

| | Enterprise | | |
|--|------------|----------|----------|
| | Water | Sewer | Total |
| Operating receipts: | | | |
| Charges for service | \$ 62,684 | 325,960 | 388,644 |
| Operating disbursements: | | | |
| Business type activities | 15,817 | 126,735 | 142,552 |
| Excess of operating receipts over operating disbursements | 46,867 | 199,225 | 246,092 |
| Non-operating receipts: | | | |
| Interest on investments | 3,690 | 19,153 | 22,843 |
| Excess of receipts over disbursements | 50,557 | 218,378 | 268,935 |
| Transfers out | (10,000) | (20,000) | (30,000) |
| Net change in cash balances | 40,557 | 198,378 | 238,935 |
| Cash balances beginning of year | 87,330 | 431,250 | 518,580 |
| Cash balances end of year | \$ 127,887 | 629,628 | 757,515 |
| Cash Basis Fund Balances | | | |
| Unreserved | \$ 127,887 | 629,628 | 757,515 |

See notes to financial statements.

City of Robins
Statement Cash Receipts, Disbursements
and Changes in Cash Balances -
Fiduciary Funds

June 30, 2008

| | <u>Agency</u> <u>Security</u> <u>Deposits</u> |
|--|---|
| Receipts: | |
| Security deposits | \$ - |
| Disbursements: | |
| Security deposits refunded | <u>167,340</u> |
| Deficiency of receipts under disbursements | (167,340) |
| Balances beginning of year, as restated | <u>179,340</u> |
| Balances end of year | <u><u>\$ 12,000</u></u> |

See notes to financial statements.

City of Robins

Notes to Financial Statements

June 30, 2008

(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, health and social services, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of 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 for 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 Statement of Activities and Net Assets 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 revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Activities and Net Assets presents the City’s nonfiduciary net assets. Net assets are reported in two categories:

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities and Net Assets 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, proprietary funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. 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 road construction and maintenance.

The Urban Renewal Tax Increment Fund is used to account for tax increment financing collections and payments on debt incurred for urban renewal projects.

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

The Capital Projects Fund is utilized to account for 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 Water Fund accounts for the operation and maintenance of the City's water system.

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

Additionally, the City reports the following fiduciary fund:

The Agency Fund is used to account for the receipt and disbursement of the City's subdivision developer security deposits.

C. Measurement Focus and Basis of Accounting

The City of Robins 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 assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

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. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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 |
| 2009 | \$ 815,000 | 221,955 | 85,000 | 11,530 | 900,000 | 233,485 |
| 2010 | 680,000 | 194,498 | 90,000 | 7,875 | 770,000 | 202,373 |
| 2011 | 590,000 | 170,591 | 90,000 | 3,960 | 680,000 | 174,551 |
| 2012 | 620,000 | 148,776 | - | - | 620,000 | 148,776 |
| 2013 | 645,000 | 69,099 | - | - | 645,000 | 69,099 |
| 2014 - 2018 | 2,120,000 | 152,279 | - | - | 2,120,000 | 152,279 |
| 2019 - 2020 | 420,000 | 16,698 | - | - | 420,000 | 16,698 |
| Total | \$ 5,890,000 | 973,896 | 265,000 | 23,365 | 6,155,000 | 997,261 |

On July 18, 2007, the City issued \$2,200,000 of general obligation corporate purpose notes for general corporate purposes and essential corporate purposes, of which \$44,000, representing a good faith deposit, was received on June 19, 2007. The remainder of the note proceeds were received in fiscal year 2008.

(4) Lease Purchase Agreement

On August 24, 2006, the City entered into a lease purchase agreement to purchase a tractor/mower for \$68,382. The lease purchase agreement bears 5.75% per annum interest to be financed over a five-year period. During the year ended June 30, 2008, \$15,289 was paid under this agreement.

The following is a schedule of the future minimum lease payments and present value of the minimum lease payments under the agreement in effect at June 30, 2008.

| Year Ending June 30, | Amount |
|---------------------------------------|-----------|
| 2009 | \$ 15,289 |
| 2010 | 15,289 |
| 2011 | 15,289 |
| Total payments | 45,867 |
| Less amount representing interest | (3,128) |
| Present value of net minimum payments | \$ 42,739 |

(5) Pension and Retirement Benefits

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

Most regular plan members are required to contribute 3.90% of their annual covered salary and the City is required to contribute 6.05% 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, 2008, 2007 and 2006 were \$15,260, \$13,395 and \$8,958, respectively, equal to the required contribution for each year.

(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, 2008, primarily relating to the General Fund, totaled \$4,500. This liability has been computed based on rates of pay in effect at June 30, 2008.

(7) Industrial Development Revenue Bonds

The City has issued a total of \$14,787,722 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$13,423,627 is outstanding at June 30, 2008. 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 for street and bridge replacement totaling \$1,239,719. At June 30, 2008, \$271,888 remains unpaid and will be paid as work on the projects progresses. The projects will be funded through federal grants, bond/note proceeds, donations and local sources, as necessary.

(10) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

| <u>Transfer to</u> | <u>Transfer from</u> | <u>Amount</u> |
|--------------------|---|-------------------|
| General | Special Revenue: Road Use Tax | \$ 6,204 |
| Debt Service | Special Revenue: Urban Renewal Tax Increment | 774,508 |
| | Enterprise: Water | 20,000 |
| | Sewer | 10,000 |
| Total | | <u>\$ 810,712</u> |

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

(11) Restatement for Security Deposits Held by the City

The City collects security deposits from developers of property located within City limits. During fiscal year 2008, the City created an Agency, Security Deposits Fund and restated security deposits of \$179,340 previously recorded in the General Fund to the Agency, Security Deposits Fund to properly account for the security deposits.

(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 of Robins. 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 Agreement

The City entered into a development agreement during the year ended June 30, 2006 to assist in an urban renewal project. The City agreed to rebate the incremental 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 development agreement, the incremental 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 up to \$300,000. During the year ended June 30, 2008, the City paid the developer \$5,913 from the incremental property tax received.

(14) Subsequent Event

In April 2009, the City approved a resolution providing for the issuance of \$2,200,000 of general obligation corporate purpose notes.

City of Robins

Required Supplementary 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

Required Supplementary Information

Year ended June 30, 2008

| | Governmental Funds Actual | Proprietary Funds Actual | Less Funds not Required to be Budgeted |
|---|---------------------------------|--------------------------------|---|
| Receipts: | | | |
| Property tax | \$ 694,346 | - | - |
| Tax increment financing | 756,761 | - | - |
| Other city taxes | - | - | - |
| Licenses and permits | 60,722 | - | - |
| Use of money and property | 92,851 | 22,843 | 42 |
| Intergovernmental | 211,978 | - | - |
| Charges for service | 29,404 | 388,644 | - |
| Miscellaneous | 28,992 | - | 8,664 |
| Total receipts | 1,875,054 | 411,487 | 8,706 |
| Disbursements: | | | |
| Public safety | 184,840 | - | 6,920 |
| Public works | 362,340 | - | - |
| Culture and recreation | 109,835 | - | - |
| Community and economic development | 88,060 | - | - |
| General government | 221,225 | - | - |
| Debt service | 926,298 | - | - |
| Capital projects | 1,179,638 | - | - |
| Business type activities | - | 142,552 | - |
| Total disbursements | 3,072,236 | 142,552 | 6,920 |
| Excess (deficiency) of receipts over (under) disbursements | (1,197,182) | 268,935 | 1,786 |
| Other financing sources (uses), net | 2,172,052 | (30,000) | - |
| Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses | 974,870 | 238,935 | 1,786 |
| Balances beginning of year | 659,649 | 518,580 | 9,590 |
| Balances end of year | \$ 1,634,519 | 757,515 | 11,376 |

See accompanying independent auditor's report.

| Total | Budgeted Amounts | | Final to Total Variance |
|------------------|------------------|------------------|-------------------------------|
| | Original | Final | |
| 694,346 | 688,835 | 688,835 | 5,511 |
| 756,761 | 726,779 | 726,779 | 29,982 |
| - | 6,646 | 6,646 | (6,646) |
| 60,722 | 50,150 | 61,050 | (328) |
| 115,652 | 75,000 | 122,000 | (6,348) |
| 211,978 | 701,514 | 701,514 | (489,536) |
| 418,048 | 225,150 | 225,150 | 192,898 |
| 20,328 | 30,000 | 65,100 | (44,772) |
| <u>2,277,835</u> | <u>2,504,074</u> | <u>2,597,074</u> | <u>(319,239)</u> |
| 177,920 | 185,531 | 185,531 | 7,611 |
| 362,340 | 299,407 | 367,407 | 5,067 |
| 109,835 | 172,756 | 280,132 | 170,297 |
| 88,060 | 87,390 | 92,390 | 4,330 |
| 221,225 | 205,566 | 245,566 | 24,341 |
| 926,298 | 959,008 | 959,008 | 32,710 |
| 1,179,638 | 2,467,156 | 1,546,840 | 367,202 |
| 142,552 | 521,097 | 521,097 | 378,545 |
| <u>3,207,868</u> | <u>4,897,911</u> | <u>4,197,971</u> | <u>990,103</u> |
| (930,033) | (2,393,837) | (1,600,897) | 670,864 |
| <u>2,142,052</u> | <u>-</u> | <u>2,229,418</u> | <u>(87,366)</u> |
| 1,212,019 | (2,393,837) | 628,521 | 583,498 |
| <u>1,168,639</u> | <u>2,792,049</u> | <u>1,347,978</u> | <u>(179,339)</u> |
| <u>2,380,658</u> | <u>398,212</u> | <u>1,976,499</u> | <u>404,159</u> |

City of Robins

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2008

The budgetary comparison is presented as Required Supplementary Information 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 and the Agency Fund. 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 Proprietary 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 decreased budgeted disbursements by \$699,940. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted by function. However, disbursements did exceed the amount budgeted for the public works function prior to adoption of the budget amendment.

Other Supplementary Information

City of Robins
Schedule of Indebtedness
Year ended June 30, 2008

| Obligation | Date of Issue | Interest Rates | Amount Originally Issued |
|----------------------------|------------------|-------------------|--------------------------------|
| General obligation notes: | | | |
| Corporate purpose | Jun 1, 2002 | 3.60-4.50% | \$ 820,000 |
| Corporate purpose | Oct 1, 2003 | 1.75-4.00 | 820,000 |
| Public safety facility | Feb 1, 2004 | 2.00-3.75 | 350,000 |
| Refunding | Apr 1, 2005 | 3.00-4.00 | 3,640,000 |
| Corporate purpose | Jul 18, 2007 | 3.85-4.15 | 2,200,000 |
| Total | | | |
| General obligation bonds: | | | |
| Urban renewal | Jun 1, 2001 | 4.10-4.40% | \$ 700,000 |
| Lease purchase agreements: | | | |
| Backhoe loader | Sep 30, 2005 | 7.00% | \$ 31,436 |
| Tractor/mower | Aug 24, 2006 | 5.75 | 68,382 |
| Total | | | |

See accompanying independent auditor's report.

| Balance Beginning of Year | Issued During Year | Redeemed During Year | Balance End of Year | Interest Paid |
|---------------------------------|--------------------------|----------------------------|---------------------------|------------------|
| 560,000 | - | 85,000 | 475,000 | 23,705 |
| 610,000 | - | 80,000 | 530,000 | 21,050 |
| 260,000 | - | 35,000 | 225,000 | 8,448 |
| 2,850,000 | - | 390,000 | 2,460,000 | 98,875 |
| - | 2,200,000 | - | 2,200,000 | 80,878 |
| <u>\$ 4,280,000</u> | <u>2,200,000</u> | <u>590,000</u> | <u>5,890,000</u> | <u>232,956</u> |
| | | | | |
| <u>345,000</u> | <u>-</u> | <u>80,000</u> | <u>265,000</u> | <u>14,930</u> |
| | | | | |
| 16,250 | - | 16,250 | - | 1,136 |
| 55,428 | - | 12,689 | 42,739 | 2,600 |
| <u>\$ 71,678</u> | <u>-</u> | <u>28,939</u> | <u>42,739</u> | <u>3,736</u> |

City of Robins
Bond and Note Maturities
June 30, 2008

| Year Ending June 30, | General Obligation Notes | | | | | | | |
|----------------------------|---|-------------------|---|-------------------|--|-------------------|--|---------------------|
| | General Corporate Purpose Issued Jun 1, 2002 | | General Corporate Purpose Issued Oct 1, 2003 | | Public Safety Facility Issued Feb 1, 2004 | | Corporate Purpose Refunding Issued Apr 1, 2005 | |
| | Interest | | Interest | | Interest | | Interest | |
| | Rates | Amount | Rates | Amount | Rates | Amount | Rates | Amount |
| 2009 | 4.05% | \$ 85,000 | 2.95% | \$ 80,000 | 2.90% | \$ 35,000 | 3.10% | \$ 405,000 |
| 2010 | 4.20 | 90,000 | 3.30 | 85,000 | 3.10 | 35,000 | 3.10 | 255,000 |
| 2011 | 4.30 | 95,000 | 3.55 | 85,000 | 3.25 | 35,000 | 3.20 | 150,000 |
| 2012 | 4.40 | 100,000 | 3.70 | 90,000 | 3.40 | 40,000 | 3.30 | 155,000 |
| 2013 | 4.50 | 105,000 | 3.85 | 95,000 | 3.60 | 40,000 | 3.45 | 160,000 |
| 2014 | | - | 4.00 | 95,000 | 3.75 | 40,000 | 3.55 | 170,000 |
| 2015 | | - | | - | | - | 3.65 | 175,000 |
| 2016 | | - | | - | | - | 3.75 | 180,000 |
| 2017 | | - | | - | | - | 3.80 | 190,000 |
| 2018 | | - | | - | | - | 3.90 | 200,000 |
| 2019 | | - | | - | | - | 3.95 | 205,000 |
| 2020 | | - | | - | | - | 4.00 | 215,000 |
| Total | | <u>\$ 475,000</u> | | <u>\$ 530,000</u> | | <u>\$ 225,000</u> | | <u>\$ 2,460,000</u> |

| Year Ending June 30, | General Obligation Bonds Urban Renewal Issued Jun 1, 2001 | |
|----------------------------|--|-------------------|
| | Interest | |
| | Rates | Amount |
| 2009 | 4.30% | \$ 85,000 |
| 2010 | 4.35 | 90,000 |
| 2011 | 4.40 | 90,000 |
| Total | | <u>\$ 265,000</u> |

See accompanying independent auditor's report.

| Corporate Purpose | | |
|---------------------------|--------------------|------------------|
| General Corporate Purpose | | |
| Issued Jul 18, 2007 | | |
| Interest | | |
| Rates | Amount | Total |
| 3.85% | \$ 210,000 | 815,000 |
| 3.88 | 215,000 | 680,000 |
| 3.90 | 225,000 | 590,000 |
| 3.95 | 235,000 | 620,000 |
| 4.00 | 245,000 | 645,000 |
| 4.05 | 250,000 | 555,000 |
| 4.10 | 260,000 | 435,000 |
| 4.13 | 275,000 | 455,000 |
| 4.15 | 285,000 | 475,000 |
| | - | 200,000 |
| | - | 205,000 |
| | - | 215,000 |
| | <u>\$2,200,000</u> | <u>5,890,000</u> |

Schedule 3

City of Robins

Schedule of Receipts By Source and Disbursements By Function -
All Governmental Fund Types

For the Last Three Years

| | 2008 | 2007 | 2006 |
|------------------------------------|---------------------|------------------|------------------|
| Receipts: | | | |
| Property tax | \$ 694,346 | 556,095 | 479,995 |
| Tax increment financing | 756,761 | 835,648 | 680,746 |
| Licenses and permits | 60,722 | 52,155 | 37,425 |
| Use of money and property | 92,851 | 93,844 | 70,847 |
| Intergovernmental | 211,978 | 210,803 | 182,257 |
| Charges for service | 29,404 | 21,765 | 19,240 |
| Miscellaneous | 28,992 | 253,077 | 30,438 |
| Total | <u>\$ 1,875,054</u> | <u>2,023,387</u> | <u>1,500,948</u> |
| Disbursements: | | | |
| Operating: | | | |
| Public safety | \$ 184,840 | 206,272 | 218,537 |
| Public works | 362,340 | 333,534 | 274,271 |
| Culture and recreation | 109,835 | 65,691 | 48,232 |
| Community and economic development | 88,060 | 61,611 | 4,000 |
| General government | 221,225 | 200,731 | 243,373 |
| Debt service | 926,298 | 921,750 | 895,014 |
| Capital projects | 1,179,638 | 1,671,272 | 829,541 |
| Total | <u>\$ 3,072,236</u> | <u>3,460,861</u> | <u>2,512,968</u> |

See accompanying independent auditor's report.



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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Des Moines, Iowa 50319-0004

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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 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, 2008, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated June 3, 2009. Our report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Robins' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the City of Robins' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Robins' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Robins' ability to initiate, authorize, record, process or report financial data reliably in accordance with an other comprehensive basis of accounting such that there is more than a remote likelihood a misstatement of the City of Robins' financial statements that is more than inconsequential will not be prevented or detected by the City of Robins' internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by the City of Robins' internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items (A), (B) and (C) are material weaknesses.

Compliance and Other Matters

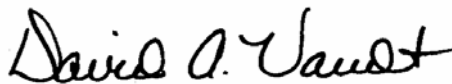
As part of obtaining reasonable assurance about whether the City of Robins' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material 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 that 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, 2008 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.

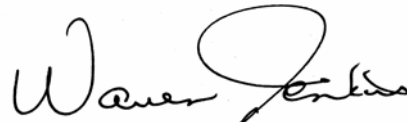
The City of Robins' responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the City's responses, we did not audit the City of Robins' responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Robins' and other parties to whom the City of Robins may report. This report is not intended to be and should not be used by anyone other than these specified parties.

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.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

June 3, 2009

Schedule of Findings

City of Robins

Schedule of Findings

Year ended June 30, 2008

Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

(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) Investments – detailed record keeping, custody of investments and reconciling earnings.
- (3) Receipts – collecting, depositing, journalizing and posting.
- (4) Utility receipts – billing, collecting, depositing, posting and reconciling.
- (5) Disbursements – purchasing, recording and reconciling.
- (6) Payroll – preparing and distributing.
- (7) Information system (computer usage) – 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 should review its control activities to obtain the maximum internal control possible under the circumstances.

Response – We will continue to strive on segregation of duties as best we can with two employees.

Conclusion – Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize Council Members to provide additional control through review of financial transactions and reports.

(B) Reconciliation of Utility Billings, Collections and Delinquencies – Utility billings, collections and delinquencies were not reconciled throughout the year.

Recommendation – Procedures should be established to reconcile utility billings, collections and delinquencies at each billing cycle and delinquent lists should be prepared as well. The City Council should review the reconciliations and monitor delinquencies.

Responses – We will establish procedures and review with the counselor in charge of public utilities.

Conclusion – Response accepted.

City of Robins

Schedule of Findings

Year ended June 30, 2008

- (C) Financial Reporting – During the audit, a material amount of developer security deposits were incorrectly recorded in the City’s financial statements. Adjustments were subsequently made by the City to properly record these amounts as Agency Fund activity in the financial statements.

Recommendation – The City should implement procedures to ensure all Agency Fund activity is properly recorded in the City’s financial statements.

Response – Subsequent Agency Fund activity will be recorded properly. We are now requiring letters of credit versus security deposits for developer agreements.

Conclusion – Response accepted.

- (D) Transfers – The City transferred to and from various funds and accounts periodically. However, these transfers were not always approved by the Council prior to the actual transfer.

Recommendation – The City Council should approve all fund/account transfers prior to the actual transfer and document approval and amount(s) as part of the minutes record.

Response – We will eliminate the transferring of monies without the approval of the Council.

Conclusion – Response accepted.

- (E) Held Checks – The City prepares checks to pay vendors and contractors for goods and services received. At June 30, 2008, a check dated September 6, 2006 for \$15,681 and a check dated January 8, 2008 for \$6,000 were being held by the City. Both checks received City Council approval for issuance. The check for \$6,000 was redeemed September 30, 2008. The check for \$15,681 is being held awaiting engineer approval.

Recommendation – Checks supported by Council approval should not be held by the City and should be delivered to recipients upon Council approval. The practice of preparing checks prior to the completion of satisfactory work should be discontinued.

Response – This process has been discontinued.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

City of Robins

Schedule of Findings

Year ended June 30, 2008

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted by function. However, the amount budgeted for the public works function was exceeded before adoption of a budget amendment. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

In addition, Chapter 384.16(3) of the Code of Iowa requires notice of the public hearing on the budget amendment to be published not less than ten nor more than twenty days before the hearing. The notice for the public hearing for the April 7, 2008 budget amendment was published twenty-four days prior to the hearing.

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget. In addition, the notice of the public hearing on the budget amendment should be published in accordance with Chapter 384.16(3) of the Code of Iowa.

Response – We will meet these guidelines on all future amendments.

Conclusion – Response accepted.

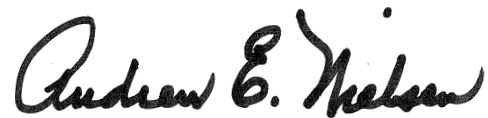
- (2) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- (4) Business Transactions – No business transactions between the City and City officials were noted.
- (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) Council Minutes – No transactions were found that we believe should have been approved in the 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 were noted.

City of Robins

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Carrie L. Livingston, CPA, Staff Auditor
Kristin M. Ockenfels, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial 'A' and a distinct dot over the 'i' in Nielsen.

Andrew E. Nielsen, CPA
Deputy Auditor of State