



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

March 23, 2011

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 \$3,834,443 for the year ended June 30, 2010, a 20% percent decrease from the prior year. The receipts included \$918,796 in property tax, \$415,185 from charges for service, \$245,296 from operating grants, contributions and restricted interest, \$931,975 from capital grants, contributions and restricted interest, \$1,007,776 from tax increment financing, \$24,837 from unrestricted interest on investments, \$264,959 from local option sales tax and \$25,619 from other general receipts.

Disbursements for the year totaled \$4,008,434, an 18.6% percent increase over the prior year, and included \$1,860,575 for capital projects, \$1,058,388 for debt service and \$321,988 for public works. Also, disbursements for business type activities totaled \$218,059.

The decrease in receipts from the prior year is due to \$2,200,000 of bonds being issued in the prior year. The increase in disbursements is due to capital projects during the current year, including the Main Street Bridge project.

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/1020-0551-B00F.pdf>.

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CITY OF ROBINS

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

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City of Robins

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2010)		
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
(After January 2010)		
Ian Cullis	Mayor	Jan 2014
Marilyn Cook	Council Member	Jan 2012
Chuck Hinz	Council Member	Jan 2012
Roger Overbeck	Council Member	Jan 2012
Don Norton	Council Member	Jan 2014
Brad Sevcik	Council Member	Jan 2014
Lori Pickart	Clerk/Treasurer	Indefinite
Liz Schura	Assistant Clerk	Indefinite
Don Hoskins	Attorney	Indefinite

City of Robins



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David A. Vaudt, CPA
Auditor of State

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, 2010, 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.

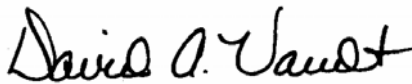
As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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, 2010, 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.

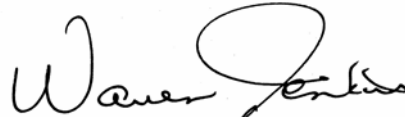
In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2011 on our consideration of the City of Robins' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other 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 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 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 Robins' 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 three years ended June 30, 2009 (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 5, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular 133, Audits of States, Local Governments and Non-Profit Organizations, 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

March 9, 2011

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, 2010. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2010 FINANCIAL HIGHLIGHTS

- The cash basis net assets of the City's governmental activities decreased 10%, or approximately \$288,000, to approximately \$2,662,000. The decrease is primarily due to the receipt of bond proceeds in the prior year offset by an increase in capital project activity during fiscal year 2010.
- The cash basis net assets of the City's business type activities increased 13%, or approximately \$114,000, to approximately \$963,000. The increase is primarily due to an increase in utility rates and more utility customers. Sewer rates increased approximately \$77 per household from fiscal year 2009 to fiscal year 2010.

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 nonmajor governmental funds and the city's indebtedness. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the City.

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.

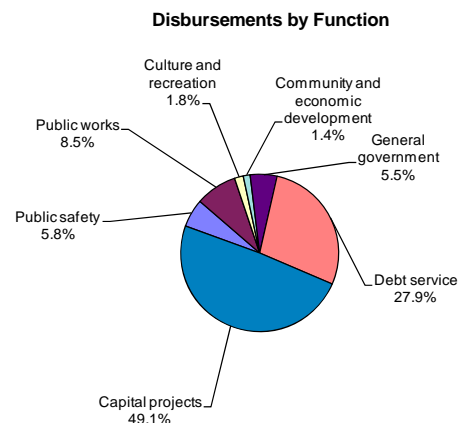
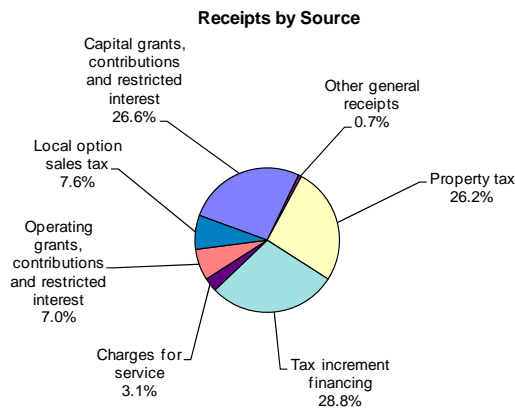
3) Fiduciary funds are used to report assets held in a trust or agency capacity for others, which cannot be used to support the City's, own programs. The fiduciary fund includes the Agency Fund which accounts for subdivision security deposits.

The required 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 decreased from a year ago, from approximately \$2.95 million to approximately \$2.66 million. 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,	
	2010	2009
Receipts:		
Program receipts:		
Charges for service	\$ 108	112
Operating grants, contributions and restricted interest	245	301
Capital grants, contributions and restricted interest	932	161
General receipts:		
Property tax	918	747
Tax increment financing	1,008	976
Local option sales tax	265	-
Note proceeds	-	2,196
Other general receipts	25	20
Total receipts	3,501	4,513
Disbursements:		
Public safety	221	188
Public works	322	387
Culture and recreation	67	315
Community and economic development	53	52
General government	208	218
Debt service	1,058	1,136
Capital projects	1,861	901
Total disbursements	3,790	3,197
Change in cash basis net assets	(289)	1,316
Cash basis net assets beginning of year	2,951	1,635
Cash basis net assets end of year	\$ 2,662	2,951



The City's total receipts for governmental activities decreased 22.4%, or approximately \$1 million. The total cost of all programs and services increased approximately \$593,000, or 18.5%. The increase in disbursements was primarily due to an increase in capital projects activity in fiscal year 2010.

The cost of all governmental activities this year was approximately \$3,790,000. 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 approximately \$2,5052,000, with the remainder paid for with user fees, grants, contributions, interest on investments and fund balances.

Changes in Cash Basis Net Assets of Business Type Activities		
(Expressed in Thousands)		
	Year ended June 30,	
	2010	2009
Receipts:		
Program receipts:		
Charges for service:		
Water	\$ 42	45
Sewer	265	208
General receipts:		
Unrestricted interest on investments	14	20
Refund	11	-
Total receipts	<u>332</u>	<u>273</u>
Disbursements:		
Water	35	52
Sewer	182	130
Total disbursements	<u>217</u>	<u>182</u>
Change in cash basis net assets	115	91
Cash basis net assets beginning of year	<u>848</u>	<u>757</u>
Cash basis net assets end of year	<u>\$ 963</u>	<u>848</u>

The business type activities receipts for the fiscal year were approximately \$332,000 compared to approximately \$273,000 last year. Sewer charges increased approximately \$57,000 as a result of an increase in sewer rates of approximately \$77 per household during fiscal year 2010. Disbursements for the fiscal year increased 19.2%, primarily due to more water and sewer maintenance projects in fiscal year 2010.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Robins completed the year, its governmental funds reported a combined fund balance of \$2,662,378, a decrease of \$288,321 from last year's total of \$2,950,699. 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 \$312,809 from the prior year to \$462,252. The increase is due primarily to disbursements for capital projects decreasing as the East Knoll Park property development, including walking trails and playground equipment, were completed in fiscal year 2009.
- The Special Revenue, Road Use Tax Fund cash balance decreased \$50,399 to \$903 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 \$153,601, an increase of \$110,651 from the previous year. The increase was the result of the timing of the collection, transfer and payment of TIF debt obligations.
- The Debt Service Fund cash balance decreased \$6,176 to \$12,668.
- The Capital Projects Fund cash balance decreased \$930,900 to \$1,745,784 during the fiscal year. The decrease is primarily due to increased capital projects, the largest being the Main Street Bridge Replacement project. In addition, the City participated in an intersection project with Linn County.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Water Fund cash balance increased \$18,987 to \$142,447, due primarily to a \$10,920 refund received from the City of Cedar Rapids.
- The Sewer Fund cash balance increased \$95,343 to \$820,663. This was due to an increase in the utility rates and an increase in the number of households served during fiscal year 2010. Sewer rates increased approximately \$77 per household and the number of households increased from 792 in June 2009 to 862 in June 2010.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City amended its budget one time. The amendment was approved on May 3, 2010 and resulted in an increase in operating disbursements of \$52,616 related to street repairs and water main upsizing.

The City’s receipts were \$286,658 more than budgeted. Local option sales tax receipts were \$257,055 more than budgeted. This was primarily due to local option sales tax receipts not being budgeted in fiscal year 2010.

Even with the budget amendment, total disbursements were \$827,301 less than the amended budget. Capital projects function disbursements were \$365,425 less than the amended budget, primarily due to the non-completion of capital improvements. In addition, actual disbursements for the business-type activities function were \$324,513 less than the amended budget, primarily due to delays in capital projects.

During the year ended June 30, 2010, disbursements did not exceed the amounts budgeted.

DEBT ADMINISTRATION

At June 30, 2010, the City had \$6,700,000 of general obligation notes, bonds and other long-term debt outstanding, compared to approximately \$7,484,000 last year, as shown below.

Outstanding Debt at Year-End (Expressed in Thousands)		
	June 30,	
	2010	2009
General obligation notes	\$ 6,595	7,275
General obligation bonds	90	180
Lease purchase agreement	15	29
Total	<u>\$ 6,700</u>	<u>7,484</u>

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of approximately \$6,700,000 is below its constitutional debt limit of approximately \$12,468,700.

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 2011 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 circumstances which could affect its financial health in the future.

- The United States Census Bureau performed a census in September of 2010. The population of the City increased 1,336 persons in the 10-year span from 2000 to 2010, with a population of 3,142, a 74% increase.
- The City's tax valuation in 2000 was \$91,948,439 compared with the 2010 valuation of \$298,579,325. This is due to the increase of residential homes within the City.
- With the continued growth, the City has been very diligent relating to not raising the tax levy. The tax levy for the fiscal year 2010 budget was \$9.28024 per \$1,000 of taxable valuation compared to \$9.01063 per \$1,000 of taxable valuation for the fiscal year 2011 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.

Basic Financial Statements

City of Robins

Statement of Activities and Net Assets – Cash Basis

As of and for the year ended June 30, 2010

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety	\$ 221,403	100,351	30,057	-
Public works	321,988	-	215,239	-
Culture and recreation	67,203	5,435	-	2,300
Community and economic development	53,100	2,038	-	-
General government	207,718	275	-	-
Debt service	1,058,388	-	-	30,363
Capital projects	1,860,575	-	-	899,312
Total governmental activities	3,790,375	108,099	245,296	931,975
Business type activities:				
Water	35,488	41,751	-	-
Sewer	182,571	265,335	-	-
Total business type activities	218,059	307,086	-	-
Total	\$ 4,008,434	415,185	245,296	931,975
General Receipts:				
Property and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Unrestricted interest on investments				
Miscellaneous				
Total general receipts				
Change in cash basis net assets				
Cash basis net assets beginning of year				
Cash basis net assets end of year				
Cash Basis Net Assets				
Restricted:				
Streets				
Local option sales				
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
(90,995)	-	(90,995)
(106,749)	-	(106,749)
(59,468)	-	(59,468)
(51,062)	-	(51,062)
(207,443)	-	(207,443)
(1,028,025)	-	(1,028,025)
(961,263)	-	(961,263)
(2,505,005)	-	(2,505,005)
-	6,263	6,263
-	82,764	82,764
-	89,027	89,027
(2,505,005)	89,027	(2,415,978)
763,709	-	763,709
155,087	-	155,087
1,007,776	-	1,007,776
264,959	-	264,959
10,454	14,383	24,837
14,699	10,920	25,619
2,216,684	25,303	2,241,987
(288,321)	114,330	(173,991)
2,950,699	848,780	3,799,479
\$ 2,662,378	963,110	3,625,488
\$ 11,538	-	11,538
265,968	-	265,968
153,601	-	153,601
12,668	-	12,668
1,745,784	-	1,745,784
10,567	-	10,567
462,252	963,110	1,425,362
\$ 2,662,378	963,110	3,625,488

City of Robins

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

As of and for the year ended June 30, 2010

	Special Revenue		
	General	Road Use Tax	Urban Renewal Tax Increment
Receipts:			
Property tax	\$ 763,709	-	-
Tax increment financing	-	-	1,007,776
Local option sales tax	-	-	-
Licenses and permits	89,384	-	-
Use of money and property	12,362	-	-
Intergovernmental	8,751	215,239	-
Charges for service	12,398	-	-
Miscellaneous	18,081	-	-
Total receipts	904,685	215,239	1,007,776
Disbursements:			
Operating:			
Public safety	207,505	-	-
Public works	56,350	265,638	-
Culture and recreation	67,203	-	-
Community and economic development	53,100	-	-
General government	207,718	-	-
Debt service	-	-	-
Capital projects	-	-	-
Total disbursements	591,876	265,638	-
Excess (deficiency) of receipts over (under) disbursements	312,809	(50,399)	1,007,776
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	-	-	(897,125)
Total other financing sources (uses)	-	-	(897,125)
Net change in cash balances	312,809	(50,399)	110,651
Cash balances beginning of year	149,443	51,302	42,950
Cash balances end of year	\$ 462,252	903	153,601
Cash Basis Fund Balances			
Reserved for debt service	\$ -	-	-
Unreserved:			
General fund	462,252	-	-
Special revenue funds	-	903	153,601
Capital projects fund	-	-	-
Total cash basis fund balances	\$ 462,252	903	153,601

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
155,087	-	-	918,796
-	-	-	1,007,776
-	-	264,959	264,959
-	-	-	89,384
-	30,363	1,026	43,751
-	899,312	10,635	1,133,937
-	-	-	12,398
-	-	12,972	31,053
155,087	929,675	289,592	3,502,054
-	-	13,898	221,403
-	-	-	321,988
-	-	-	67,203
-	-	-	53,100
-	-	-	207,718
1,058,388	-	-	1,058,388
-	1,860,575	-	1,860,575
1,058,388	1,860,575	13,898	3,790,375
(903,301)	(930,900)	275,694	(288,321)
897,125	-	-	897,125
-	-	-	(897,125)
897,125	-	-	-
(6,176)	(930,900)	275,694	(288,321)
18,844	2,676,684	11,476	2,950,699
12,668	1,745,784	287,170	2,662,378
12,668	-	-	12,668
-	-	-	462,252
-	-	287,170	441,674
-	1,745,784	-	1,745,784
12,668	1,745,784	287,170	2,662,378

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, 2010

	Enterprise		
	Water	Sewer	Total
Operating receipts:			
Charges for service	\$ 41,751	265,335	307,086
Operating disbursements:			
Business type activities	35,488	182,571	218,059
Excess of operating receipts over operating disbursements	6,263	82,764	89,027
Non-operating receipts (disbursements):			
Interest on investments	1,804	12,579	14,383
Miscellaneous reimbursements	10,920	-	10,920
Net change in cash balances	18,987	95,343	114,330
Cash balances beginning of year	123,460	725,320	848,780
Cash balances end of year	\$ 142,447	820,663	963,110
Cash Basis Fund Balances			
Unreserved	\$ 142,447	820,663	963,110

See notes to financial statements.

City of Robins

Statement Cash Receipts, Disbursements
and Changes in Cash Balances -
Fiduciary Fund

As of and for the year ended June 30, 2010

	<u>Agency</u> <u>Security</u> <u>Deposits</u>
Receipts	
Security deposits	\$ -
Disbursements	
Security deposits refunded	<u>-</u>
Excess of receipts over disbursements	-
Balances beginning of year	<u>7,000</u>
Balances end of year	<u><u>\$ 7,000</u></u>

See notes to financial statements.

City of Robins

Notes to Financial Statements

June 30, 2010

(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 wastewater 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 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, 2010 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				Total	
	Notes		Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 815,000	241,919	90,000	3,960	905,000	245,879
2012	845,000	215,603	-	-	845,000	215,603
2013	875,000	186,716	-	-	875,000	186,716
2014	790,000	155,134	-	-	790,000	155,134
2015	680,000	126,624	-	-	680,000	126,624
2016-2020	2,590,000	258,648	-	-	2,590,000	258,648
Total	\$6,595,000	1,184,644	90,000	3,960	6,685,000	1,188,604

(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.

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, 2010.

Year Ending June 30,	Amount
2011	\$ 15,289
Less amount representing interest	(666)
Present value of net minimum lease payments	\$ 14,623

During the year ended June 30, 2010, \$15,289 was paid under this agreement.

(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 4.30% of their annual covered salary and the City is required to contribute 6.65% 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, 2010, 2009 and 2008 were \$18,340, \$15,827 and \$15,260, respectively, equal to the required contribution for each year.

(6) Other Postemployment Benefits (OPEB)

Plan Description - The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and retirees and their spouses. There are 2 active and 0 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 premiums for the City and plan members are \$837 for single coverage and \$1,992 for family coverage. The same monthly premiums would apply to retirees. For the year ended June 30, 2010, the City contributed \$26,006 and plan members eligible for benefits contributed \$3,223 to the plan.

(7) 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, 2010, primarily relating to the General Fund, totaled \$5,200. This liability has been computed based on rates of pay in effect at June 30, 2010.

(8) Industrial Development Revenue Bonds

The City has issued a total of \$25,687,722 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$21,605,345 is outstanding at June 30, 2010. 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.

(9) 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 four fiscal years.

(10) Construction Contracts

The City entered into various construction contracts totaling \$2,449,320 for street and bridge replacement. At June 30, 2010, \$1,093,186 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.

(11) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Debt Service	Special Revenue:	
	Urban Renewal Tax Increment	<u>\$ 897,125</u>

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

(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 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 development agreement, 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 up to \$300,000. During the year ended June 30, 2010, the City did not make any payments under this agreement.

(14) Subsequent Events

The City is in the process of issuing \$3,130,000 of tax increment financing (TIF) debt, which includes refinancing three general obligation bond issues which were outstanding in the principal amount of \$820,000 at June 30, 2010.

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, 2010

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 918,796	-	-
Tax increment financing	1,007,776	-	-
Local option sales tax	264,959	-	-
Licenses and permits	89,384	-	-
Use of money and property	43,751	14,383	17
Intergovernmental	1,133,937	-	-
Charges for service	12,398	307,086	-
Miscellaneous	31,053	10,920	12,972
Total receipts	3,502,054	332,389	12,989
Disbursements:			
Public safety	221,403	-	13,898
Public works	321,988	-	-
Culture and recreation	67,203	-	-
Community and economic development	53,100	-	-
General government	207,718	-	-
Debt service	1,058,388	-	-
Capital projects	1,860,575	-	-
Business type activities	-	218,059	-
Total disbursements	3,790,375	218,059	13,898
Excess (deficiency) of receipts over (under) disbursements	(288,321)	114,330	(909)
Other financing sources, net	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(288,321)	114,330	(909)
Balances beginning of year	2,950,699	848,780	11,476
Balances end of year	\$ 2,662,378	963,110	10,567

See accompanying independent auditor's report.

Net	Budgeted Amounts		Final to Net Variance
	Original	Final	
918,796	900,965	900,965	17,831
1,007,776	976,395	976,395	31,381
264,959	7,904	7,904	257,055
89,384	24,690	24,690	64,694
58,117	57,600	57,600	517
1,133,937	1,277,932	1,302,382	(168,445)
319,484	259,400	259,400	60,084
29,001	5,460	5,460	23,541
<u>3,821,454</u>	<u>3,510,346</u>	<u>3,534,796</u>	<u>286,658</u>
207,505	210,951	210,951	3,446
321,988	307,058	331,508	9,520
67,203	122,116	122,116	54,913
53,100	54,027	59,027	5,927
207,718	253,985	253,985	46,267
1,058,388	1,075,678	1,075,678	17,290
1,860,575	2,226,000	2,226,000	365,425
218,059	519,406	542,572	324,513
<u>3,994,536</u>	<u>4,769,221</u>	<u>4,821,837</u>	<u>827,301</u>
(173,082)	(1,258,875)	(1,287,041)	1,113,959
-	2,200,000	2,200,000	(2,200,000)
(173,082)	941,125	912,959	(1,086,041)
<u>3,788,003</u>	<u>1,041,593</u>	<u>3,795,004</u>	<u>(7,001)</u>
<u>3,614,921</u>	<u>1,982,718</u>	<u>4,707,963</u>	<u>(1,093,042)</u>

City of Robins

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2010

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, a budget amendment increased budgeted disbursements by \$52,616. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2010, disbursements did not exceed the amounts budgeted.

City of Robins

Other Supplementary Information

City of Robins

Schedule of Cash Receipts, Disbursements
Nonmajor Governmental Funds

As of and for the year ended June 30, 2010

	Special Revenue			
	Local Option Sales Tax	I-JOBS	Firefighters Association	Total
Receipts:				
Other city tax	\$ 264,959	-	-	264,959
Use of money and property	1,009	-	17	1,026
Intergovernmental	-	10,635	-	10,635
Miscellaneous	-	-	12,972	12,972
Total receipts	<u>265,968</u>	<u>10,635</u>	<u>12,989</u>	<u>289,592</u>
Disbursements:				
Operating:				
Public safety	-	-	13,898	13,898
Total disbursements	<u>-</u>	<u>-</u>	<u>13,898</u>	<u>13,898</u>
Excess (deficiency) of receipts over (under) disbursements	265,968	10,635	(909)	275,694
Cash balances beginning of year	-	-	11,476	11,476
Cash balances end of year	<u>\$ 265,968</u>	<u>10,635</u>	<u>10,567</u>	<u>287,170</u>
Cash Basis Fund Balances				
Unreserved:				
Special revenue funds	<u>\$ 265,968</u>	<u>10,635</u>	<u>10,567</u>	<u>287,170</u>
Total cash basis fund balances	<u>\$ 265,968</u>	<u>10,635</u>	<u>10,567</u>	<u>287,170</u>

See accompanying independent auditor's report.

City of Robins
Schedule of Indebtedness
Year ended June 30, 2010

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation notes:			
Corporate purpose	Jun 1, 2002	4.30-4.50%	\$ 820,000
Corporate purpose	Oct 1, 2003	3.55-4.00	820,000
Public safety facility	Feb 1, 2004	3.25-3.75	350,000
Refunding	Apr 1, 2005	3.20-4.00	3,640,000
Corporate purpose	Jul 18, 2007	3.90-4.15	2,200,000
Corporate purpose	Apr 15, 2009	2.00-4.05	2,200,000
Total			
General obligation bonds:			
Urban renewal	Jun 1, 2001	4.40%	\$ 700,000
Lease purchase agreement:			
Tractor/mower	Aug 24, 2006	5.75%	\$ 68,382

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
390,000	-	90,000	300,000	16,990
450,000	-	85,000	365,000	16,610
190,000	-	35,000	155,000	6,523
2,055,000	-	255,000	1,800,000	74,230
1,990,000	-	215,000	1,775,000	80,145
2,200,000	-	-	2,200,000	83,215
<u>\$ 7,275,000</u>	<u>-</u>	<u>680,000</u>	<u>6,595,000</u>	<u>277,713</u>
<u>180,000</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>	<u>7,875</u>
<u>29,302</u>	<u>-</u>	<u>14,013</u>	<u>15,289</u>	<u>1,276</u>

City of Robins
 Bond and Note Maturities
 June 30, 2010

Year Ending June 30,	General Obligation Notes					
	Corporate Purpose Issued Jun 1, 2002		Corporate Purpose Issued Oct 1, 2003		Public Safety Facility Issued Feb 1, 2004	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2011	4.30%	\$ 95,000	3.55%	\$ 85,000	3.25%	\$ 35,000
2012	4.40%	100,000	3.70%	90,000	3.40%	40,000
2013	4.50%	105,000	3.85%	95,000	3.60%	40,000
2014		-	4.00%	95,000	3.75%	40,000
2015		-		-		-
2016		-		-		-
2017		-		-		-
2018		-		-		-
2019		-		-		-
2020		-		-		-
Total		<u>\$ 300,000</u>		<u>\$ 365,000</u>		<u>\$ 155,000</u>

Year Ending June 30,	General Obligation Bonds Urban Renewal Issued Jun 1, 2001	
	Interest Rates	Amount
	2011	4.40%

See accompanying independent auditor's report.

Refunding		Corporate Purpose		Corporate Purpose		Total
Issued Apr 1, 2005		Issued Jul 18, 2007		Issued Apr 15, 2009		
Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	
3.20%	\$ 150,000	3.90%	\$ 225,000	2.00%	\$ 225,000	\$ 815,000
3.30%	155,000	3.95%	235,000	2.40%	225,000	845,000
3.45%	160,000	4.00%	245,000	2.80%	230,000	875,000
3.55%	170,000	4.05%	250,000	3.00%	235,000	790,000
3.65%	175,000	4.10%	260,000	3.25%	245,000	680,000
3.75%	180,000	4.13%	275,000	3.50%	250,000	705,000
3.80%	190,000	4.15%	285,000	3.80%	255,000	730,000
3.90%	200,000		-	4.00%	265,000	465,000
3.95%	205,000		-	4.05%	270,000	475,000
4.00%	215,000		-		-	215,000
	<u>\$1,800,000</u>		<u>\$1,775,000</u>		<u>\$2,200,000</u>	<u>6,595,000</u>

Schedule 4

City of Robins

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

For the Last Five Years

	2010	2009	2008	2007	2006
Receipts:					
Property tax	\$ 918,796	746,839	694,346	556,095	479,995
Tax increment financing	1,007,776	976,424	756,761	835,648	680,746
Local option sales tax	264,959	-	-	-	-
Licenses and permits	89,384	41,782	60,722	52,155	37,425
Use of money and property	43,751	50,450	92,851	93,844	70,847
Intergovernmental	1,133,937	413,461	211,978	210,803	182,257
Charges for service	12,398	65,708	29,404	21,765	19,240
Miscellaneous	31,053	22,902	28,992	253,077	30,438
Total	\$ 3,502,054	2,317,566	1,875,054	2,023,387	1,500,948
Disbursements:					
Operating:					
Public safety	\$ 221,403	188,362	184,840	206,272	218,537
Public works	321,988	386,834	362,340	333,534	274,271
Culture and recreation	67,203	314,790	109,835	65,691	48,232
Community and economic development	53,100	51,864	88,060	61,611	4,000
General government	207,718	218,209	221,225	200,731	243,373
Debt service	1,058,388	1,135,986	926,298	921,750	895,014
Capital projects	1,860,575	900,965	1,179,638	1,671,272	829,541
Total	\$ 3,790,375	3,197,010	3,072,236	3,460,861	2,512,968

See accompanying independent auditor's report.

City of Robins
 Schedule of Federal Financial Assistance
 Year ended June 30, 2010

Grantor/Program	CFDA Number	Agency Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BRM-6520(602) - 8N-57	\$ 966,045
Iowa Department of Public Safety:			
Alcohol Impaired Driving Countermeasures			
Incentive Grants	20.601	PAP 10-410, Task 67	6,511
Safety Belt performance Grants	20.609	PAP 09-406, Task 139	<u>2,835</u>
Total indirect			<u>\$ 975,391</u>

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Robins and is presented in conformity with an other comprehensive basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.

City of Robins



OFFICE OF AUDITOR OF STATE

STATE OF IOWA

David A. Vaudt, CPA

Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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, 2010, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated March 9, 2011. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and another deficiency we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Robins' financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-10 through II-C-10 to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-D-10 to be a significant deficiency.

Compliance and Other Matters

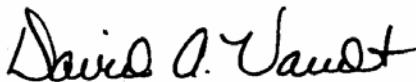
As part of obtaining reasonable assurance about whether the City of Robins' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2010 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.

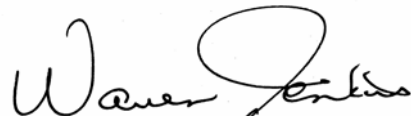
The City of Robins' responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit the City of Robins' responses and, accordingly, we express no opinion on them.

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, including federal awarding agencies and pass-through entities, and 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

March 9, 2011

**Independent Auditor's Report on Compliance
with Requirements That Could Have a Direct and Material Effect
on Each Major Program and on Internal Control over Compliance in Accordance
with OMB Circular A-133**

City of Robins



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report on Compliance
with Requirements That Could Have a Direct and Material Effect
on Each Major Program and on Internal Control over compliance in Accordance
with OMB Circular A-133

To the Officials of the City of Robins:

Compliance

We have audited the City of Robins, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on the City of Robins' major federal program for the year ended June 30, 2010. The City of Robins' major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of the City of Robins' management. Our responsibility is to express an opinion on the City of Robins' compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Robins' compliance with those requirements.

In our opinion, the City of Robins complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2010.

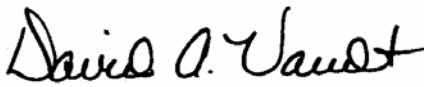
Internal Control Over Compliance

The management of the City of Robins is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the City of Robins' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Robins' internal control over compliance.

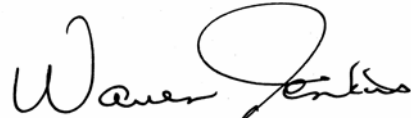
A deficiency in the City's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance we consider to be material weaknesses, as defined above.

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, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

March 9, 2011

City of Robins

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Part I: Summary of the Independent Auditor's Results:

- (a) Unqualified opinions were issued on the financial statements which 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.
- (b) Material weaknesses and a significant deficiency in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with Office of Management and Budget circular A-133, Section .510(a).
- (g) The major program was CFDA Number 20.205 – Highway Planning and Construction.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Robins did not qualify as a low-risk auditee.

City of Robins

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

II-A-10 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 review and continue to strive toward maximum internal control.

Conclusion – Response accepted.

II-B-10 Reconciliation of Utility Billings, Collections and Delinquencies – Utility billings, collections and delinquent accounts were reconciled on a monthly basis, but the reconciliations and delinquent listings were not reviewed by the Council.

Recommendation – The Council should review the monthly utility reconciliations and monitor delinquencies.

Responses – We will provide the reconciliation and delinquent list to the City Council for approval.

Conclusion – Response accepted.

City of Robins

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

II-C-10 Tax Increment Financing – Chapter 403.19 of the Code of Iowa provides a municipality shall certify indebtedness to the County Auditor. Such certification makes it a duty of the County Auditor to provide for the division of property tax which is to be used to repay the certified indebtedness. Chapter 403.19 of the Code of Iowa does not allow a municipality to set aside property tax divided for tax increment purposes for urban renewal projects for which indebtedness has not been certified. Except for assistance for low and moderate income family housing discussed in Chapter 403.22 of the Code of Iowa, indebtedness incurred is to be certified to the County Auditor and then the divided property tax is to be used to pay the principal of and interest on the certified indebtedness. In addition, Chapter 403.19(5)(b) requires the City to certify the amount of reductions resulting from reduction in debt or for any other reason to the County Auditor.

On November 15, 2010, the City Council approved selling \$2-3 million tax increment financing bonds, a portion of which would be used to refinance three outstanding higher interest rate general obligation bond issues. Although the City Council approved issuing debt, the actual amount of debt to be issued was not yet determined. Also, the City did not formally approve entering into a contractual agreement to issue the bonds until February 7, 2011, with an anticipated closing date the end of February 2011. Therefore, the City was not obligated to repay this indebtedness as of the certification date of the City's tax increment financing.

The City's tax increment financing (TIF) certification required by Chapter 403 of the Code of Iowa and filed November 29, 2010 certified TIF debt of \$3,130,000 for the new debt. Since this debt had not yet been issued, the City should not have included this debt on the 2010 certification. In addition, the three outstanding general obligation bond issues to be refinanced were not decertified in accordance with Chapter 403.19(5)(b) of the Code of Iowa. As of the date of this report, the actual tax increment financing debt issued totaled \$12,427,600 and the City had not yet refinanced the three outstanding general obligation bond issues.

Recommendation – The City should consult TIF legal counsel and the Linn County Auditor to determine the disposition of the City's TIF certifications and the amount of TIF debt to be decertified, if any. A copy of this report will be filed with the Linn County Auditor for review and information in assisting the City in resolving this.

Response – We were unaware of these requirements but agree. We will alter the timing of any future bond sales to ensure the bond sale is complete before the TIF certification deadline date of December 1st.

Conclusion – Response accepted.

II-D-10 Disaster Recovery Plan – The City does not have a written, approved disaster recovery plan.

Recommendation – The City should develop a written disaster recovery plan, approved by the City Council, which includes the following information:

- a) Identification of critical applications.
- b) Identification of staff responsibilities.

City of Robins

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

- c) Identification of steps for recovery of any operating systems for City operations.
- d) Identification of computer equipment needed for temporary processing.
- e) Identification of business location(s) which could be used to process critical applications in the event of an emergency, including any applicable written agreements for the use of the locations.
- f) Requirement a copy of the disaster recovery plan be kept off site.
- g) Requirement to keep system backups current and off site.
- h) Inventory of all hardware and components (e.g.: make, model numbers, serial numbers, etc.).
- i) Inventory of all software applications (e.g.: operating system and software applications, release versions and vendor names).
- j) Requirement copies of all user documentation and policy and procedures manuals be located off site.
- k) Requirement extra stocks of paper supplies, such as checks, warrants, purchase orders, etc., be located off site.
- l) Requirements outlining frequency and guidelines for testing of disaster recovery plan to identify issues and document the results of testing.

Response – We will work on creating a Disaster Recovery Plan to include the items listed above.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

City of Robins

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over the major program were noted.

City of Robins

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

Other Findings Related to Required Statutory Reporting:

IV-A-10 Disbursements during the year ended June 30, 2010 did not exceed the amounts budgeted.

IV-B-10 Questionable Disbursements – Certain disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented were noted. The disbursements are detailed as follows:

Paid to	e	Purpose	Amount
Liz Schura		Pizza and pop for volunteers building dug outs at baseball fields.	\$96
McClintock		Reimbursed sales tax for items at Menards	12
Guppy’s on the Go		Gas purchases without properly detailed receipts	63

According to the opinion, it is possible for such disbursements to meet the test of serving a public purpose under certain circumstances, although such items will certainly be subject to a deserved close scrutiny. The line to be drawn between a proper and an improper purpose is very thin.

Recommendation – The Council should determine and document the public purpose served by these disbursements before authorizing any further payments. If this practice is continued, the City should establish written policies and procedures, including the requirements for proper documentation.

Response – We will attempt to keep a tighter control on these types of purchases.

Conclusion – Response accepted.

IV-C-10 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-10 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

Name, Title and Business Transaction	Transaction Description	Amount
Marilyn Cook, Council Member, Son is owner of Cook Fence	Lift station fence	\$2,500

In accordance with Chapter 362.5(3) of the Code of Iowa, this transaction does not appear to represent a conflict of interest since the total transaction did not exceed \$2,500 during the fiscal year.

IV-E-10 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.

IV-F-10 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

City of Robins

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

- IV-G-10 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.

City of Robins

Staff

This audit was performed by:

Deborah J. Moser CPA, Manager
Carrie L. Livingston, CPA, Senior Auditor
Kristin M. Ockenfels, Staff 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 "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State