



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

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Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE

March 18, 2021

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released an audit report on the City of Robins, Iowa.

FINANCIAL HIGHLIGHTS:

The City's receipts totaled \$4,017,063 for the year ended June 30, 2020, a 1.2% decrease from the prior year. Disbursements for the year ended June 30, 2020 totaled \$4,421,514, a 24.0% increase over the prior year. The significant increase in disbursements is primarily due to a park improvement project and an increase in street construction and maintenance.

AUDIT FINDINGS:

Sand reported three findings related to the receipt and disbursement of taxpayer funds and one finding pertaining to Robins Firefighters Association, a blended component unit. They are found on pages 48 through 51 of this report. The findings address a lack of segregation of duties, incorrect TIF debt reported on the Annual Urban Renewal Report, and noncompliance with Section 545-2.5 of the Iowa Administrative Code pertaining to approval of interfund transfers through Council resolution. Sand provided the City and the Firefighters Association with recommendations to address each of the findings.

Two of the three findings discussed above pertaining to the City and the finding pertaining to the blended component unit are repeated from the prior year. The City Council and management of the blended component unit have a fiduciary responsibility to provide oversight of the City's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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CITY OF ROBINS
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY AND OTHER INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2020

City of Robins



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March 15, 2021

Officials of the City of Robins
Robins, Iowa

Dear Honorable Mayor and Members of the City Council:

I am pleased to submit to you the financial and compliance audit report for the City of Robins for the year ended June 30, 2020. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the City of Robins throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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City of Robins

Officials

(Before January 2020)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chuck Hinz	Mayor	Jan 2022
Marilyn Cook	Council Member	Jan 2020
Roger Overbeck	Council Member	Jan 2020
Dick Pilcher	Council Member	Jan 2020
Don Norton	Council Member	Jan 2022
Brad Sevcik	Council Member	Jan 2022
Lori Pickart	City Clerk/Treasurer	Indefinite
Liz Schura	Deputy Clerk	Indefinite
Ryan Tang	Attorney	Indefinite

(After January 2020)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chuck Hinz	Mayor	Jan 2022
Don Norton	Council Member	Jan 2022
Brad Sevcik	Council Member	Jan 2022
Marilyn Cook	Council Member	Jan 2024
Roger Overbeck	Council Member	Jan 2024
Dick Pilcher	Council Member	Jan 2024
Lori Pickart	City Clerk/Treasurer	Indefinite
Liz Schura	Deputy Clerk	Indefinite
Ryan Tang	Attorney	Indefinite

City of Robins



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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Robins, Iowa, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Robins as of June 30, 2020, and the respective changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As discussed in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary and Other Information

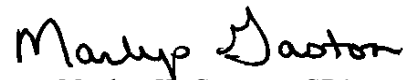
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Robins' basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The other information, Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability and the Schedule of City Contributions on pages 28 through 36, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2021 on our consideration of the City of Robins' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Robins' internal control over financial reporting and compliance.


Marlys K. Gaston, CPA
Deputy Auditor of State

March 15, 2021

City of Robins

Basic Financial Statements

City of Robins

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2020

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety	\$ 366,664	56,146	11,079	-
Public works	901,321	-	442,429	-
Culture and recreation	687,507	7,230	1,957	-
Community and economic development	90,439	-	-	-
General government	383,371	21,124	-	-
Debt service	1,099,995	-	-	-
Capital projects	341,577	-	-	10,383
Total governmental activities	3,870,874	84,500	455,465	10,383
Business type activities:				
Water	56,972	22,356	-	-
Sewer	493,668	522,511	-	-
Total business type activities	550,640	544,867	-	-
Total	\$ 4,421,514	629,367	455,465	10,383
General Receipts:				
Property and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Commercial/industrial tax replacement				
Unrestricted interest on investments				
Miscellaneous				
Total general receipts				
Change in cash basis net position				
Cash basis net position beginning of year				
Cash basis net position end of year				
Cash Basis Net Position				
Restricted:				
Streets				
Debt service				
Local option sales tax				
Capital projects				
Other purposes				
Unrestricted				
Total cash basis net position				

See notes to financial statements.

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

Governmental Activities	Business Type Activities	Total
(299,439)	-	(299,439)
(458,892)	-	(458,892)
(678,320)	-	(678,320)
(90,439)	-	(90,439)
(362,247)	-	(362,247)
(1,099,995)	-	(1,099,995)
(331,194)	-	(331,194)
(3,320,526)	-	(3,320,526)
-	(34,616)	(34,616)
-	28,843	28,843
-	(5,773)	(5,773)
(3,320,526)	(5,773)	(3,326,299)
1,269,314	-	1,269,314
181,502	-	181,502
909,915	-	909,915
473,802	-	473,802
11,590	-	11,590
64,063	10,052	74,115
1,610	-	1,610
2,911,796	10,052	2,921,848
(408,730)	4,279	(404,451)
4,611,552	622,673	5,234,225
\$ 4,202,822	626,952	4,829,774
\$ 511,742	-	511,742
46,779	-	46,779
1,228,529	-	1,228,529
726,981	-	726,981
28,292	-	28,292
1,660,499	626,952	2,287,451
\$ 4,202,822	626,952	4,829,774

City of Robins

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

As of and for the year ended June 30, 2020

	Special Revenue			
	General	Road Use Tax	Urban Renewal Tax Increment	Local Option Sales Tax
Receipts:				
Property tax	\$ 1,262,712	-	-	-
Local option sales tax	-	-	-	473,802
Tax increment financing	-	-	909,915	-
Other city tax	6,602	-	-	-
Licenses and permits	49,091	-	-	-
Use of money and property	49,306	-	-	21,950
Intergovernmental	10,340	442,429	-	-
Charges for service	8,510	-	-	-
Miscellaneous	21,309	-	-	-
Total receipts	1,407,870	442,429	909,915	495,752
Disbursements:				
Operating:				
Public safety	351,967	-	-	-
Public works	111,630	729,691	-	60,000
Culture and recreation	687,334	-	-	-
Community and economic development	90,439	-	-	-
General government	383,371	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	341,251
Total disbursements	1,624,741	729,691	-	401,251
Excess (deficiency) of receipts over (under) disbursements	(216,871)	(287,262)	909,915	94,501
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(916,894)	-
Total other financing sources (uses)	-	-	(916,894)	-
Change in cash balances	(216,871)	(287,262)	(6,979)	94,501
Cash balances beginning of year	1,877,370	799,004	38,034	1,134,028
Cash balances end of year	\$ 1,660,499	511,742	31,055	1,228,529
Cash Basis Fund Balances				
Restricted for:				
Streets	\$ -	511,742	-	-
Debt service	-	-	31,055	-
Local option sales tax	-	-	-	1,228,529
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Unassigned	1,660,499	-	-	-
Total cash basis fund balances	\$ 1,660,499	511,742	31,055	1,228,529

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
180,703	-	-	1,443,415
-	-	-	473,802
-	-	-	909,915
799	-	-	7,401
-	-	-	49,091
-	10,383	7	81,646
1,250	-	-	454,019
-	-	-	8,510
-	-	13,036	34,345
182,752	10,383	13,043	3,462,144
-	-	14,697	366,664
-	-	-	901,321
-	-	173	687,507
-	-	-	90,439
-	-	-	383,371
1,099,995	-	-	1,099,995
-	326	-	341,577
1,099,995	326	14,870	3,870,874
(917,243)	10,057	(1,827)	(408,730)
916,894	-	-	916,894
-	-	-	(916,894)
916,894	-	-	-
(349)	10,057	(1,827)	(408,730)
16,073	716,924	30,119	4,611,552
15,724	726,981	28,292	4,202,822
-	-	-	511,742
15,724	-	-	46,779
-	-	-	1,228,529
-	726,981	-	726,981
-	-	28,292	28,292
-	-	-	1,660,499
15,724	726,981	28,292	4,202,822

City of Robins

City of Robins

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

As of and for the year ended June 30, 2020

	Enterprise		
	Water	Sewer	Total
Operating receipts:			
Charges for service	\$ 22,356	456,747	479,103
Miscellaneous	-	65,764	65,764
Total operating receipts	22,356	522,511	544,867
Operating disbursements:			
Business type activities	26,551	383,364	409,915
Excess (deficiency) of operating receipts over (under) operating disbursements	(4,195)	139,147	134,952
Non-operating receipts (disbursements):			
Interest on investments	3,667	6,385	10,052
Capital outlay	(30,421)	(110,304)	(140,725)
Net non-operating receipts(disbursements)	(26,754)	(103,919)	(130,673)
Change in cash balances	(30,949)	35,228	4,279
Cash balances beginning of year	217,270	405,403	622,673
Cash balances end of year	\$ 186,321	440,631	626,952
Cash Basis Fund Balances			
Unrestricted	\$ 186,321	440,631	626,952

See notes to financial statements.

City of Robins

Notes to Financial Statements

June 30, 2020

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

For financial reporting purposes, the City of Robins has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

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

Blended Component Unit

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

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Linn County Assessor's Conference Board, Linn County Emergency Management Commission, Linn County Landfill Commission, Linn County Joint 911 Service Board and Indian Creek/Dry Run Creek Sanitary Sewer System Board.

B. Basis of Presentation

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

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

Restricted net position results when constraints placed on the use of cash balances are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

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

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

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

The City reports the following major governmental funds:

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

Special Revenue:

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

C. Measurement Focus and Basis of Accounting

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

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

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

D. Property Taxes and Governmental Cash Basis Fund Balances

The following accounting policies are followed in preparing the financial statements:

Property tax revenues recognized in these funds become due and collectible in September and March of the current fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects tax asking contained in the budget certified to the City Council in March 2019.

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

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classification.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2020, disbursements did not exceed the amounts budgeted.

(2) Cash and Pooled Investments

The City’s deposits in banks at June 30, 2020 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(3) Bonds Payable

A summary of changes in bonds payable for the year ended June 30, 2020 is as follows:

	Year			Ending	Due
	Beginning			Balances	Within
	Balances	Increases	Decreases	Balances	One Year
Governmental activities:					
General obligation bonds	\$ 5,215,000	-	975,000	4,240,000	780,000

General Obligation Bonds

A summary of the City's June 30, 2020 general obligation bonds payable is as follows:

General Obligation Bonds							
Refunding and Street and Utility System Improvements				Refunding and Street, Sidewalk and Utility System Improvements			
Issued Feb 1, 2011				Issued Oct 8, 2013			
Year Ending June 30,	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	
2021	3.10%	\$ 230,000	23,805	2.45%	\$ 260,000	38,765	
2022	3.25	240,000	16,675	2.65	265,000	32,395	
2023	3.55	250,000	8,875	2.85	275,000	25,373	
2024		-	-	3.00	280,000	17,535	
2025		-	-	3.15	290,000	9,135	
2026-2027		-	-		-	-	
Total		<u>\$ 720,000</u>	<u>49,355</u>		<u>\$ 1,370,000</u>	<u>123,203</u>	

Refunding and Street, Sidewalk and Utility System Improvements						
Issued Nov 17, 2016				Total		
Year Ending June 30,	Interest Rates	Principal	Interest	Principal	Interest	Total
2021	1.20%	\$ 290,000	34,145	\$ 780,000	96,715	876,715
2022	1.35	295,000	30,665	800,000	79,735	879,735
2023	1.45	300,000	26,683	825,000	60,931	885,931
2024	1.60	305,000	22,333	585,000	39,868	624,868
2025	1.70	315,000	17,453	605,000	26,588	631,588
2026-2027	1.80-1.95	645,000	18,435	645,000	18,435	663,435
Total		<u>\$ 2,150,000</u>	<u>149,714</u>	<u>\$ 4,240,000</u>	<u>322,272</u>	<u>4,562,272</u>

On February 1, 2011, the City issued \$3,130,000 of general obligation bonds with interest rates ranging from 1.00% to 3.55% per annum. The bonds were issued for construction costs for street, sewer and water system improvements and refunding outstanding debt. During the year ended June 30, 2020, the City paid \$225,000 of principal and \$30,555 of interest on the bonds.

On October 8, 2013 the City issued \$4,225,000 of general obligation bonds with interest rates ranging from 2.25% to 3.15% per annum. The bonds were issued for construction costs for street, water system, sanitary sewer system, storm water drainage and sidewalk improvements and refunding outstanding debt. During the year ended June 30, 2020, the City paid \$465,000 of principal and \$49,228 of interest on the bonds.

On November 17, 2016, the City issued \$3,805,000 of general obligation bonds with interest rates ranging of .80% to 1.95% per annum. The bonds were issued for construction costs for street, water system, storm water drainage, sidewalk and other public improvements and refunding outstanding debt. During the year ended June 30, 2020, the City paid \$285,000 of principal and \$37,280 of interest on the bonds.

(4) Pension Plan

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

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

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

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

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

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

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

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

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

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

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount contribution rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protection occupation members contributed 6.61% of covered payroll and the City contributed 9.91% of covered payroll, for a total rate of 16.52%.

The City’s contributions to IPERS for the year ended June 30, 2020 were \$35,915.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the City reported a liability of \$211,187 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the City’s proportion was 0.003647%, which was an increase of 0.000010% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City’s pension expense, deferred outflows of resources and deferred inflows of resources totaled \$50,845, \$30,944 and \$42,220, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	5.60%
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	<u>100.0%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the City will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 437,509	211,187	21,427

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

(5) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation and compensatory leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City’s approximate liability for earned vacation and compensatory leave payable to employees at June 30, 2020, primarily relating to the General Fund and the Special Revenue, Road Use Tax Fund, totaled \$11,000. This liability has been computed based on rates of pay in effect at June 30, 2020.

(6) Industrial Development Revenue Bonds

The City has issued a total of \$12,341,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$11,172,631 is outstanding at June 30, 2020. 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.

(7) 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.

(8) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2020 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Special Revenue: Urban Renewal Tax Increment	<u>\$ 916,894</u>

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

(9) Water Service Contract

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

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

On January 11, 2007, the City entered into a 28E agreement with Linn County and the cities of Cedar Rapids, Marion and Hiawatha for the planning, construction and maintenance of the Indian Creek and Dry Run Creek Sanitary Sewer System. This agreement provides for construction costs totaling approximately \$25.5 million for the Dry Run and Indian Creek Trunk Sewers upgrade which will be accomplished in multiple phases through the year 2023. The construction costs will be proportionally allocated to each jurisdiction as defined in the agreement. The portion to be paid by the City is estimated to be approximately \$12 million. The City intends to use available funds from the Sewer and Capital Projects Funds to pay its portion of construction costs. During the year ended June 30, 2020, the City paid \$326 under the agreement. The cumulative amount paid toward the project at June 30, 2020 was \$1,898,372.

(11) Development Agreements

In accordance with the development agreement entered into during fiscal year 2009, the incremental property tax to be received by the City under Chapter 403.19 of the Code of Iowa from the developer will be rebated for a period of nine years beginning with the tax year in which property tax on the completed value of the improvements is first paid (fiscal year 2013). The total amount rebated shall represent 50% of the incremental property tax received by the City, not to exceed total payments of \$120,000. During the year ended June 30, 2020, the City made payments totaling \$6,433 pursuant to the agreement. The cumulative amount rebated at June 30, 2020 was \$59,181.

(12) Economic Development Agreement

On May 4, 2015, the City entered into an economic development agreement to assist a developer in the construction of assisted living and memory care units. The City agreed to provide financial support to the developer in the form of two annual economic development payments provided that the aggregate total amount of the payments do not exceed \$125,000.

During the year ended June 30, 2020, the City made no payments to the developer. The cumulative amount paid to the developer at June 30, 2020 was \$124,745.

(13) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

City Tax Abatements

The City provides tax abatements for urban renewal and economic development projects with tax increment financing as provided for in Chapters 15A and 403 of the Code of Iowa. For these types of projects, the City enters into agreements with developers which require the City, after developers meet the terms of the agreements, to rebate a portion of the property tax paid by the developers, to pay the developers an economic development grant or to pay the developers a predetermined dollar amount. No other commitments were made by the City as part of these agreements.

For the year ended June 30, 2020, \$1,711 of property tax was diverted from the City under the urban renewal and economic development agreements

(14) Construction Commitment

The City has entered into construction contracts totaling \$1,029,613. As of June 30, 2020, \$857,583 has been paid on the contracts. The remaining \$172,030 will be paid as work on the projects progress.

(15) COVID - 19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the City of Robins, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of the City of Robins. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the City of Robins' operations and finances.

(16) Subsequent Events

In October 2020, the City issued \$4,755,000 of general obligation corporate purpose and refunding bonds.

Other Information

City of Robins
 Budgetary Comparison Schedule
 of Receipts, Disbursements, and Changes in Balances –
 Budget and Actual – All Governmental Funds and Proprietary Funds

Other Information

Year ended June 30, 2020

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 1,443,415	-	-
Tax increment financing	909,915	-	-
Other city tax	481,203	-	-
Licenses and permits	49,091	-	-
Use of money and property	81,646	10,052	7
Intergovernmental	454,019	-	-
Charges for service	8,510	479,103	-
Miscellaneous	34,345	65,764	11,079
Total receipts	3,462,144	554,919	11,086
Disbursements:			
Public safety	366,664	-	14,697
Public works	901,321	-	-
Culture and recreation	687,507	-	-
Community and economic development	90,439	-	-
General government	383,371	-	-
Debt service	1,099,995	-	-
Capital projects	341,577	-	-
Business type activities	-	550,640	-
Total disbursements	3,870,874	550,640	14,697
Excess (deficiency) of receipts over (under) disbursements	(408,730)	4,279	(3,611)
Balances beginning of year	4,611,552	622,673	18,435
Balances end of year	\$ 4,202,822	626,952	14,824

See accompanying independent auditor's report.

Total	Budgeted Amounts		Final to Total Variance
	Original	Final	
1,443,415	1,459,530	1,459,530	(16,115)
909,915	921,961	921,961	(12,046)
481,203	457,342	457,342	23,861
49,091	37,250	37,250	11,841
91,691	10,500	41,200	50,491
454,019	418,203	418,203	35,816
487,613	516,400	516,400	(28,787)
89,030	9,000	19,000	70,030
<u>4,005,977</u>	<u>3,830,186</u>	<u>3,870,886</u>	<u>135,091</u>
351,967	379,081	396,581	44,614
901,321	1,002,360	1,812,360	911,039
687,507	605,010	755,010	67,503
90,439	110,866	110,866	20,427
383,371	369,010	459,010	75,639
1,099,995	1,121,505	1,121,505	21,510
341,577	716,136	716,136	374,559
550,640	536,751	731,751	181,111
<u>4,406,817</u>	<u>4,840,719</u>	<u>6,103,219</u>	<u>1,696,402</u>
(400,840)	(1,010,533)	(2,232,333)	1,831,493
<u>5,215,790</u>	<u>4,551,587</u>	<u>5,215,790</u>	<u>-</u>
<u>4,814,950</u>	<u>3,541,054</u>	<u>2,983,457</u>	<u>1,831,493</u>

City of Robins

City of Robins

Notes to Other Information – Budgetary Reporting

June 30, 2020

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the blended component unit. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund and the Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$1,262,500. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2020, disbursements did not exceed the amounts budgeted.

City of Robins

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

Iowa Public Employees' Retirement System
For the Last Six Years*
(In Thousands)

Other Information

	2020	2019	2018	2017
City's proportion of the net pension liability	0.003647%	0.003637%	0.003610%	0.003586%
City's proportionate share of the net pension liability	\$ 211	230	240	226
City's covered payroll	\$ 380	355	358	343
City's proportionate share of the net pension liability as a percentage of its covered payroll	55.53%	64.79%	67.04%	65.89%
IPERS' net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

See accompanying independent auditor's report.

2016	2015
0.003422%	0.002928%
169	116
337	305
50.15%	38.03%
85.19%	87.61%

City of Robins

Schedule of City Contributions

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

Other Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 36	37	32	33
Contributions in relation to the statutorily required contribution	<u>(36)</u>	<u>(37)</u>	<u>(32)</u>	<u>(33)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$ 376	380	355	358
Contributions as a percentage of covered payroll	9.57%	9.74%	9.01%	9.22%

See accompanying independent auditor's report.

2016	2015	2014	2013	2012	2011
31	31	28	26	23	20
(31)	(31)	(28)	(26)	(23)	(20)
-	-	-	-	-	-
343	337	305	292	258	241
9.04%	9.20%	9.18%	8.90%	8.91%	8.30%

City of Robins

Notes to Other Information – Pension Liability

Year ended June 30, 2020

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

Supplementary Information

City of Robins

City of Robins

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

As of and for the year ended June 30, 2020

	Special Revenue		
	Robins Baseball Instructional League	Firefighters Association	Total
Receipts:			
Use of money and property	\$ -	7	7
Miscellaneous	1,957	11,079	13,036
Total receipts	1,957	11,086	13,043
Disbursements:			
Operating:			
Public safety	-	14,697	14,697
Culture and recreation	173	-	173
Total disbursements	173	14,697	14,870
Change in cash balances	1,784	(3,611)	(1,827)
Cash balances beginning of year	11,684	18,435	30,119
Cash balances end of year	\$ 13,468	14,824	28,292
Cash Basis Fund Balances			
Restricted for:			
Other purposes	\$ 13,468	14,824	28,292

See accompanying independent auditor's report.

City of Robins
Schedule of Indebtedness
Year ended June 30, 2020

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation bonds:			
Corporate purpose and refunding	Feb 1, 2011	1.00-3.55%	\$ 3,130,000
Corporate purpose and refunding	Oct 8, 2013	2.25-3.15	4,225,000
Corporate purpose and refunding	Nov 17, 2016	0.80-1.95	3,805,000
Total			

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
945,000	-	225,000	720,000	30,555
1,835,000	-	465,000	1,370,000	49,228
2,435,000	-	285,000	2,150,000	37,280
<u>\$ 5,215,000</u>	-	975,000	4,240,000	117,063

City of Robins

Bond Maturities

June 30, 2020

<u>General Obligation</u>						
<u>Refunding and Street and Utility System Improvements</u>				<u>Refunding and Street, Sidewalk and Utility System Improvements</u>		
<u>Issued Feb 1, 2011</u>				<u>Issued Oct 8, 2013</u>		
Year Ending June 30,	Interest Rates	Amount		Interest Rates	Amount	
2021	3.10%	\$	230,000	2.45%	\$	260,000
2022	3.25		240,000	2.65		265,000
2023	3.55		250,000	2.85		275,000
2024			-	3.00		280,000
2025			-	3.15		290,000
2026			-			-
2027			-			-
	Total	\$	<u>720,000</u>		\$	<u>1,370,000</u>

See accompanying independent auditor's report.

Bonds

Refunding and Street, Sidewalk and
Utility System Improvements

Issued Nov 17, 2016

Interest Rates		Amount	Total
1.20%	\$	290,000	780,000
1.35		295,000	800,000
1.45		300,000	825,000
1.60		305,000	585,000
1.70		315,000	605,000
1.80		320,000	320,000
1.95		325,000	325,000
	\$	<u>2,150,000</u>	<u>4,240,000</u>

City of Robins

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

For the Last Ten Years

	2020	2019	2018	2017
Receipts:				
Property tax	\$ 1,443,415	1,383,207	1,324,171	1,297,374
Local option sales tax	473,802	419,703	412,269	421,842
Tax increment financing	909,915	1,195,727	1,201,431	1,187,737
Other city tax	7,401	-	-	-
Licenses and permits	49,091	34,870	42,021	58,805
Use of money and property	81,646	78,667	34,593	28,399
Intergovernmental	454,019	444,657	440,359	830,244
Charges for service	8,510	15,010	10,791	14,744
Miscellaneous	34,345	33,107	60,247	49,918
Total	<u>\$ 3,462,144</u>	<u>3,604,948</u>	<u>3,525,882</u>	<u>3,889,063</u>
Disbursements:				
Operating:				
Public safety	\$ 366,664	325,231	295,849	307,955
Public works	901,321	507,890	596,462	556,548
Culture and recreation	687,507	160,138	135,884	702,677
Community and economic development	90,439	153,805	155,724	123,894
General government	383,371	263,239	272,894	324,113
Debt service	1,099,995	1,365,836	1,383,994	2,185,021
Capital projects	341,577	427,860	1,844,154	616,039
Total	<u>\$ 3,870,874</u>	<u>3,203,999</u>	<u>4,684,961</u>	<u>4,816,247</u>

See accompanying independent auditor's report.

2016	2015	2014	2013	2012	2011
1,208,993	1,132,829	1,103,858	1,053,158	990,607	994,591
400,367	370,093	374,629	354,228	376,780	311,935
1,210,548	1,227,525	1,022,665	1,050,732	1,129,477	985,627
-	-	-	-	-	-
78,347	66,141	78,932	38,204	35,320	38,721
19,692	22,910	23,368	22,786	35,250	40,501
657,730	359,103	354,347	332,494	315,331	303,240
113,422	15,480	14,349	6,890	8,020	7,970
17,375	31,737	34,078	40,193	180,025	42,027
<u>3,706,474</u>	<u>3,225,818</u>	<u>3,006,226</u>	<u>2,898,685</u>	<u>3,070,810</u>	<u>2,724,612</u>
754,211	243,937	248,751	261,343	225,268	218,291
292,169	582,234	274,371	297,093	590,332	425,325
306,211	159,261	261,115	206,047	365,190	77,021
250,854	188,917	125,346	111,383	62,256	53,809
224,269	241,146	324,893	216,025	268,188	190,427
1,382,558	1,391,500	2,613,283	1,353,834	1,320,919	1,819,261
1,148,551	1,205,060	1,539,032	1,950,216	874,081	1,533,425
<u>4,358,823</u>	<u>4,012,055</u>	<u>5,386,791</u>	<u>4,395,941</u>	<u>3,706,234</u>	<u>4,317,559</u>



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

To the Honorable Mayor and Members of the City Council:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Robins, Iowa, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2021. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Robins' financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2020 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Robins' Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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


Marlys K. Gaston, CPA
Deputy Auditor of State

March 15, 2021

City of Robins
Schedule of Findings
Year ended June 30, 2020

Finding Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCY:

(A) Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the City’s and the Robins Firefighters Association’s financial statements.

Condition – Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

	<u>Applicable Offices</u>
(1) Bank reconciliations are not prepared by someone who doesn’t sign checks, handle or record cash, and handle disbursement functions.	City and the Robins Firefighters Association
(2) Mail is opened by an individual who is also responsible for recording and accounting for receipts.	City
(3) Responsibilities for receipt collection, deposit preparation and reconciliation functions are not segregated from those for recording and accounting for cash.	City and the Robins Firefighters Association
(4) Responsibilities for maintaining detailed accounts receivable records are not segregated from collections and records posting. An independent person is not entering new utility rates in the computer.	City
(5) Responsibilities for reconciling disbursements are not segregate from those for preparing disbursement vouchers.	City
(6) An independent person is not entering new/updated payroll rates into the computer or recording vacation/sick leave.	City
(7) Duties are not segregated for computer system functions.	City

City of Robins

Schedule of Findings

Year ended June 30, 2020

Cause – The City and the Robins Firefighters Association have a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the City’s and Robins Firefighters Association’s ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – Each official should review the control activities of their office to obtain the maximum internal control possible under the circumstances. The official should utilize current personnel, including elected officials, to provide additional control through independent review of financial transactions, reconciliations and reports. The independent reviews should be documented by the signature or initials of the reviewer and the date of the review. Bank reconciliation reviews should include independent verification of bank balances and reconciling items.

Responses –

City - We will continue to work on this comment.

Robins Firefighters Association – The Robins Firefighters Association is a very small organization with only 19 members and a handful of officers and, therefore, it is difficult to segregate the duties of the secretary and the management of our financial records. The Robins Firefighters Association conducts a meeting almost every month and a financial report is given to the membership at each meeting that includes our current checkbook balance and any outstanding bills that are known at that time. The Robins Firefighters Association continues the practice of reconciling our checking account using the back of the monthly statements and reviewing our bank statements with the Association President and Vice President at each association meeting. All three of these officers, Secretary/Treasurer, President and Vice President, review and initial all of the monthly bank statements. Also, any expenditure of more than \$100 requires approval from our membership and the minutes of our meetings reflect these actions.

Conclusion – Responses acknowledged. Each office should continue to review the control activities of their office to obtain the maximum internal control possible under the circumstances.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

City of Robins
 Schedule of Findings
 Year ended June 30, 2020

Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2020, did not exceed the amounts budgeted during the fiscal year.
- (2) Questionable Disbursements – No disbursements that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- (4) Business Transactions – Business transaction between the City and City officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Marilyn Cook, City Council Member, son owns Cook Fence Company	Park maintenance	\$ 1,050

In accordance with Chapter 362.5(3)(k) of the Code of Iowa, these transactions do not appear to represent a conflict of interest since the total transactions less than \$6,000 during the fiscal year.

- (5) Restricted Donor Activity – No transactions were noted between the City, City officials, City employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- (6) 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.
- (7) City Council Minutes – No transactions were found that we believe should have been approved in the City Council minutes but were not.
- (8) 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.
- (9) Annual Urban Renewal Report – The Annual Urban Renewal Report was properly approved and certified to the Iowa Department of Management on or before December 1. However, the tax increment financing (TIF) debt outstanding was overstated by \$258,012. The general obligation bond Series 2011 was reported 100% as a TIF obligation rather than only the portion allowed to be funded by TIF.

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

City of Robins

Schedule of Findings

Year ended June 30, 2020

Response – We will strive to perform this accurately.

Conclusion – Response accepted.

- (10) Transfers – Effective April 17, 2019, Rule 545-2.5 of the Iowa Administrative Code requires transfers between funds be passed by resolution and include a clear statement of the reason or purpose for the transfer, the name of the affected funds and the dollar amount to be transferred. Transfers from the Special Revenue, TIF fund, to the Debt Service fund were approved in the City budget, but were not approved by resolution as required.

Recommendation – The City should comply with the Iowa Administrative Code and approve transfers by a resolution which includes the required information.

Response – We will pass a resolution from this point forward.

Conclusion – Response accepted.

City of Robins

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Deputy
Katherine L. Rupp, CPA, Manager
Sidot K. Shipley, Senior Auditor
Jesse K. Villalobos, Assistant Auditor