



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

September 3, 2024

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

FINANCIAL HIGHLIGHTS:

The City's receipts totaled \$4,477,181 for the year ended June 30, 2023, a 4.1% decrease from the prior year. Disbursements for the year ended June 30, 2023 totaled \$4,876,995, a 37.1% increase over the prior year. The significant increase over the prior year in disbursements is due primarily to the City starting three capital projects in fiscal year 2023.

AUDIT FINDINGS:

Sand reported seven findings related to the receipt and disbursement of taxpayer funds. They are found on pages 44 through 49 of this report. The findings address a lack of segregation of duties, lack of balanced bank reconciliation and miscoding of building inspector to wrong disbursement function. Sand provided the City with recommendations to address each of the findings.

One of the findings discussed above is repeated from the prior year. The City Council has 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 website at [Audit Reports – Auditor of State](#).

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CITY OF ROBINS

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

JUNE 30, 2023

City of Robins



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834

Rob Sand
Auditor of State

July 3, 2024

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, 2023. 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

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chuck Hinz	Mayor	Jan 2024
Marilyn Cook	Council Member	Jan 2024
Roger Overbeck	Council Member	Jan 2024
Dick Pilcher	Council Member	Jan 2024
Dave Franzman	Council Member	Jan 2026
JD Smith	Council Member	Jan 2026
Lori Pickart	City Clerk/Treasurer	Indefinite
Lisa Goodin	Deputy Clerk	Indefinite
Mike Kortenkamp	Building Official/Public Works	Indefinite
Holly Corkery	Attorney	Indefinite

City of Robins



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

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State Capitol Building
Des Moines, Iowa 50319-0006
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Independent Auditor's Report

To the Honorable Mayor and Members of the City Council:

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City of Robins, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Robins' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of Robins' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Robins' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 Auditor's Responsibilities for the Audit of the Financial Statements section of this report, the financial statements for the nine years ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements which were prepared on the cash basis of accounting. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 GAAS. In our opinion, the supplementary information in Schedules 1 and 2 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in this report. The other information comprises the Budgetary Comparison Information, the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) and the Schedule of City Contributions on pages 28 through 36 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 3, 2024 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.



Brian R. Brustkern, CPA
Deputy Auditor of State

July 3, 2024

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, 2023

	Program Receipts			
	Disbursements	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety	\$ 451,248	12,563	12,362	-
Public works	1,195,142	-	461,411	-
Culture and recreation	162,186	-	12,013	-
Community and economic Development	97,621	135,700	-	-
General government	375,381	7,995	-	-
Debt service	1,152,930	-	-	-
Capital projects	1,033,469	-	-	34,492
Total governmental activities	4,467,977	156,258	485,786	34,492
Business type activities:				
Water	13,777	7,590	-	-
Sewer	395,241	431,177	-	-
Total business type activities	409,018	438,767	-	-
Total	\$ 4,876,995	595,025	485,786	34,492
General Receipts:				
Property and other city tax levied for:				
General purposes				
Debt service				
Tax increment financing				
Local option sales tax				
Commercial/industrial tax replacement				
American Rescue Plan Act				
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
(426,323)	-	(426,323)
(733,731)	-	(733,731)
(150,173)	-	(150,173)
38,079	-	38,079
(367,386)	-	(367,386)
(1,152,930)	-	(1,152,930)
(998,977)	-	(998,977)
<u>(3,791,441)</u>	<u>-</u>	<u>(3,791,441)</u>
-	(6,187)	(6,187)
-	35,936	35,936
-	<u>29,749</u>	<u>29,749</u>
<u>(3,791,441)</u>	<u>29,749</u>	<u>(3,761,692)</u>
1,354,258	-	1,354,258
278,212	-	278,212
843,366	-	843,366
514,166	-	514,166
9,692	-	9,692
264,431	-	264,431
82,727	11,418	94,145
3,608	-	3,608
<u>3,350,460</u>	<u>11,418</u>	<u>3,361,878</u>
(440,981)	41,167	(399,814)
<u>7,263,647</u>	<u>812,907</u>	<u>8,076,554</u>
<u>\$ 6,822,666</u>	<u>854,074</u>	<u>7,676,740</u>
\$ 787,975	-	787,975
48,921	-	48,921
2,051,361	-	2,051,361
1,890,004	-	1,890,004
31,090	-	31,090
<u>2,013,315</u>	<u>854,074</u>	<u>2,867,389</u>
<u>\$ 6,822,666</u>	<u>854,074</u>	<u>7,676,740</u>

City of Robins

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

As of and for the year ended June 30, 2023

	Special Revenue			
	General	Road Use Tax	Urban Renewal Tax Increment	Local Option Sales Tax
Receipts:				
Property tax	\$ 1,346,554	-	-	-
Local option sales tax	-	-	-	514,166
Tax increment financing	-	-	843,366	-
Other city tax	7,704	-	-	-
Licenses and permits	139,308	-	-	-
Use of money and property	62,136	-	-	32,596
Intergovernmental	274,123	461,411	-	-
Charges for service	11,160	-	-	-
Miscellaneous	9,398	-	-	-
Total receipts	1,850,383	461,411	843,366	546,762
Disbursements:				
Operating:				
Public safety	440,595	-	-	-
Public works	697,165	497,977	-	-
Culture and recreation	162,186	-	-	-
Community and economic development	97,621	-	-	-
General government	375,381	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	266,725
Total disbursements	1,772,948	497,977	-	266,725
Excess (deficiency) of receipts over (under) disbursements	77,435	(36,566)	843,366	280,037
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(874,096)	-
Total other financing sources (uses)	-	-	(874,096)	-
Change in cash balances	77,435	(36,566)	(30,730)	280,037
Cash balances beginning of year	1,935,880	824,541	62,366	1,771,324
Cash balances end of year	\$ 2,013,315	787,975	31,636	2,051,361
Cash Basis Fund Balances				
Restricted for:				
Streets	\$ -	787,975	-	-
Debt service	-	-	31,636	-
Local option sales tax	-	-	-	2,051,361
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Unassigned	2,013,315	-	-	-
Total cash basis fund balances	\$ 2,013,315	787,975	31,636	2,051,361

See notes to financial statements.

Debt Service	Capital Projects	Nonmajor	Total
276,844	-	-	1,623,398
-	-	-	514,166
-	-	-	843,366
1,368	-	-	9,072
-	-	-	139,308
-	34,492	8	129,232
-	-	-	735,534
-	-	-	11,160
-	-	12,362	21,760
278,212	34,492	12,370	4,026,996
-	-	10,653	451,248
-	-	-	1,195,142
-	-	-	162,186
-	-	-	97,621
-	-	-	375,381
1,152,930	-	-	1,152,930
-	766,744	-	1,033,469
1,152,930	766,744	10,653	4,467,977
(874,718)	(732,252)	1,717	(440,981)
874,096	-	-	874,096
-	-	-	(874,096)
874,096	-	-	-
(622)	(732,252)	1,717	(440,981)
17,907	2,622,256	29,373	7,263,647
17,285	1,890,004	31,090	6,822,666
-	-	-	787,975
17,285	-	-	48,921
-	-	-	2,051,361
-	1,890,004	-	1,890,004
-	-	31,090	31,090
-	-	-	2,013,315
17,285	1,890,004	31,090	6,822,666

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, 2023

	Enterprise		
	Water	Sewer	Total
Operating receipts:			
Charges for service	\$ 7,590	431,177	438,767
Operating disbursements:			
Business type activities	13,777	395,241	409,018
Excess (deficiency) of operating receipts over (under) operating disbursements	(6,187)	35,936	29,749
Non-operating receipts:			
Interest on investments	2,833	8,585	11,418
Change in cash balances	(3,354)	44,521	41,167
Cash balances beginning of year	206,860	606,047	812,907
Cash balances end of year	\$ 203,506	650,568	854,074
Cash Basis Fund Balances			
Unrestricted	\$ 203,506	650,568	854,074

See notes to financial statements.

City of Robins

Notes to Financial Statements

June 30, 2023

(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 and Linn County Joint 911 Service Board.

B. Basis of Presentation

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

The Cash Basis Statement of Activities and Net Position 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 the governmental 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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects tax asking contained in the budget certified to the City Council in March 2022.

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

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

Unassigned – All amounts not included in the preceding classification.

E. Budgets and Budgetary Accounting

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

(2) Cash and Pooled Investments

The City’s deposits in banks at June 30, 2023 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, 2023 is as follows:

	Year Beginning Balances	Increases	Decreases	Ending Balances	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 5,025,000	-	1,090,000	3,935,000	840,000

General Obligation Bonds

A summary of the City's June 30, 2023 general obligation bonds payable is as follows:

General Obligation Bonds						
Year Ending June 30,	Refunding and Street, Sidewalk and Utility System Improvements Issued Nov 17, 2016			Refunding and Street, Sidewalk and Utility System Improvements Issued Oct 20, 2020		
	Interest			Interest		
	Rates	Principal	Interest	Rates	Principal	Interest
2024	1.60%	\$ 305,000	22,333	1.00%	\$ 535,000	27,248
2025	1.70	315,000	17,453	1.00	545,000	21,897
2026	1.80	320,000	12,098	1.00	255,000	16,448
2027	1.95	325,000	6,337	1.00	260,000	13,898
2028		-	-	1.00	265,000	11,298
2029-2031		-	-	1.00 - 1.15	810,000	17,807
Total		<u>\$ 1,265,000</u>	<u>58,221</u>		<u>\$ 2,670,000</u>	<u>108,596</u>

Year Ending June 30,	Totals		
	Principal	Interest	Total
2024	\$ 840,000	49,581	889,581
2025	860,000	39,350	899,350
2026	575,000	28,546	603,546
2027	585,000	20,235	605,235
2028	265,000	11,298	276,298
2029-2031	810,000	17,807	827,807
Total	<u>\$ 3,935,000</u>	<u>166,817</u>	<u>4,101,817</u>

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, 2023, the City paid \$300,000 of principal and \$26,683 of interest on the bonds.

On October 20, 2020, the City issued \$4,755,000 of general obligation bonds with interest rates ranging of 1.00% to 1.15% per annum. The bonds were issued for street, water, storm and sewer system improvements. Additionally, the notes refunded the \$720,000 and \$1,370,000 of outstanding general obligation bonds issued in February 2011 and October 2013. During the year ended June 30, 2023, the City paid \$790,000 of principal and \$35,147 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 2023, 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 6.21% of covered payroll and the City contributed 9.31% of covered payroll, for a total rate of 15.52%.

The City’s contributions to IPERS for the year ended June 30, 2023 were \$48,230.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the City reported a net pension liability of \$125,779 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, the City’s proportion was 0.003329%, which was a decrease of 0.020632% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City’s pension expense (reduction), deferred outflows of resources and deferred inflows of resources totaled \$(3,972), \$17,256 and \$31,901, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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 geometric 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%	3.57%
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
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 (Asset) to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) 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 (asset)	\$ 304,937	125,779	(31,902)

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, 2023, primarily relating to the General Fund and the Special Revenue, Road Use Tax Fund, totaled \$19,279. This liability has been computed based on rates of pay in effect at June 30, 2023.

(6) Industrial Development Revenue Bonds

The City has issued a total of \$4,000,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$1,771,815 is outstanding at June 30, 2023. 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, 2023 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Special Revenue:	
	Urban Renewal Tax Increment	<u>\$ 874,096</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) Construction Contracts

The City entered into construction contracts totaling \$1,339,416. As of June 30, 2023, \$875,634 had been paid on the contracts. The remaining \$463,782 will be paid as work on the projects progresses.

(11) 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 until the final completion of the project and settlement of the financial conditions. 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 Capital Projects Fund to pay its portion of construction costs. During the year ended June 30, 2023, the City paid \$750,000 on the agreement. The cumulative amount paid toward the project at June 30, 2023 was \$2,648,372.

(12) Subsequent Event

On April 29, 2024, the City issued \$2,045,000 in general obligation corporate purpose bonds series 2024 in order to pay for sanitary sewer system improvements and certain costs of issuance related to the bonds.

City of Robins

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, 2023

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 1,632,470	-	-
Tax increment financing	843,366	-	-
Other city tax	514,166	-	-
Licenses and permits	139,308	-	-
Use of money and property	129,232	11,418	8
Intergovernmental	735,534	-	-
Charges for service	11,160	438,767	-
Miscellaneous	21,760	-	12,362
Total receipts	<u>4,026,996</u>	<u>450,185</u>	<u>12,370</u>
Disbursements:			
Public safety	451,248	-	10,653
Public works	1,195,142	-	-
Culture and recreation	162,186	-	-
Community and economic development	97,621	-	-
General government	375,381	-	-
Debt service	1,152,930	-	-
Capital projects	1,033,469	-	-
Business type activities	-	409,018	-
Total disbursements	<u>4,467,977</u>	<u>409,018</u>	<u>10,653</u>
Excess (deficiency) of receipts over (under) disbursements	(440,981)	41,167	1,717
Balances beginning of year	<u>7,263,647</u>	<u>812,907</u>	<u>15,905</u>
Balances end of year	<u>\$ 6,822,666</u>	<u>854,074</u>	<u>17,622</u>

See accompanying independent auditor's report.

Total	Budgeted Amounts		Final to
	Original	Final	Total Variance
1,632,470	1,620,391	1,620,391	12,079
843,366	874,096	874,096	(30,730)
514,166	488,939	488,939	25,227
139,308	51,810	51,810	87,498
140,642	34,000	34,000	106,642
735,534	1,204,155	1,204,155	(468,621)
449,927	524,100	524,100	(74,173)
9,398	10,000	10,000	(602)
4,464,811	4,807,491	4,807,491	(342,680)
440,595	477,038	495,038	54,443
1,195,142	2,029,150	2,329,150	1,134,008
162,186	261,169	261,169	98,983
97,621	110,534	110,534	12,913
375,381	455,783	465,783	90,402
1,152,930	1,153,031	1,153,031	101
1,033,469	2,075,000	2,075,000	1,041,531
409,018	1,067,651	1,067,651	658,633
4,866,342	7,629,356	7,957,356	3,091,014
(401,531)	(2,821,865)	(3,149,865)	2,748,334
8,060,649	7,176,404	8,060,609	40
7,659,118	4,354,539	4,910,744	2,748,374

City of Robins

City of Robins

Notes to Other Information – Budgetary Reporting

June 30, 2023

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 \$328,000. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2023, disbursements did not exceed amounts budgeted.

City of Robins

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

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

Other Information

	2023	2022	2021	2020
City's proportion of the net pension liability (asset)	0.003329%	0.023961% **	0.003599%	0.003647%
City's proportionate share of the net pension liability (asset)	\$ 126	(83)	253	211
City's covered payroll	\$ 438	367	376	380
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.77%	-22.62%	67.29%	55.53%
IPERS' net position as a percentage of the total pension liability (asset)	91.40%	100.81%	82.90%	85.45%

* 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.

** Overall plan net pension asset.

See accompanying independent auditor's report.

2019	2018	2017	2016	2015
0.003637%	0.003610%	0.003586%	0.003422%	0.002928%
230	240	226	169	116
355	358	343	337	305
64.79%	67.04%	65.89%	50.15%	38.03%
83.62%	82.21%	81.82%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 48	41	35	36
Contributions in relation to the statutorily required contribution	<u>(48)</u>	<u>(41)</u>	<u>(35)</u>	<u>(36)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
City's covered payroll	\$ 484	438	367	376
Contributions as a percentage of covered payroll	9.92%	9.36%	9.54%	9.57%

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
37	32	33	31	31	28
(37)	(32)	(33)	(31)	(31)	(28)
-	-	-	-	-	-
380	355	358	343	337	305
9.74%	9.01%	9.22%	9.04%	9.20%	9.18%

City of Robins

Notes to Other Information – Pension Liability

Year ended June 30, 2023

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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, 2023

	Robins Baseball Instructional League	Firefighters Association	Total
Receipts:			
Use of money and property	\$ -	8	8
Miscellaneous	-	12,362	12,362
Total receipts	-	12,370	12,370
Disbursements:			
Operating:			
Public safety	-	10,653	10,653
Change in cash balances	-	1,717	1,717
Cash balances beginning of year	13,468	15,905	29,373
Cash balances end of year	\$ 13,468	17,622	31,090
Cash Basis Fund Balances			
Restricted for:			
Other purposes	\$ 13,468	17,622	31,090

See accompanying independent auditor's report.

City of Robins

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

For the Last Ten Years

	2023	2022	2021	2020
Receipts:				
Property tax	\$ 1,623,398	1,615,723	1,603,245	1,443,415
Local option sales tax	514,166	618,290	522,817	473,802
Tax increment financing	843,366	886,219	766,010	909,915
Other city tax	9,072	9,171	9,862	7,401
Licenses and permits	139,308	2,573	700	49,091
Use of money and property	129,232	45,107	52,867	81,646
Intergovernmental	735,534	872,612	1,300,485	454,019
Charges for service	11,160	8,880	6,120	8,510
Miscellaneous	21,760	111,103	143,853	34,345
Total	\$ 4,026,996	4,169,678	4,405,959	3,462,144
Disbursements:				
Operating:				
Public safety	\$ 451,248	475,064	523,956	366,664
Public works	1,195,142	434,552	2,204,742	901,321
Culture and recreation	162,186	182,659	200,854	687,507
Community and economic development	97,621	-	54	90,439
General government	375,381	374,573	307,970	383,371
Debt service	1,152,930	1,159,475	926,736	1,099,995
Capital projects	1,033,469	565,984	859,955	341,577
Total	\$ 4,467,977	3,192,307	5,024,267	3,870,874

See accompanying independent auditor's report.

2019	2018	2017	2016	2015	2014
1,383,207	1,324,171	1,297,374	1,208,993	1,132,829	1,103,858
419,703	412,269	421,842	400,367	370,093	374,629
1,195,727	1,201,431	1,187,737	1,210,548	1,227,525	1,022,665
-	-	-	-	-	-
34,870	42,021	58,805	78,347	66,141	78,932
78,667	34,593	28,399	19,692	22,910	23,368
444,657	440,359	830,244	657,730	359,103	354,347
15,010	10,791	14,744	113,422	15,480	14,349
33,107	60,247	49,918	17,375	31,737	34,078
<u>3,604,948</u>	<u>3,525,882</u>	<u>3,889,063</u>	<u>3,706,474</u>	<u>3,225,818</u>	<u>3,006,226</u>
325,231	295,849	307,955	754,211	243,937	248,751
507,890	596,462	556,548	292,169	582,234	274,371
160,138	135,884	702,677	306,211	159,261	261,115
153,805	155,724	123,894	250,854	188,917	125,346
263,239	272,894	324,113	224,269	241,146	324,893
1,365,836	1,383,994	2,185,021	1,382,558	1,391,500	2,613,283
427,860	1,844,154	616,039	1,148,551	1,205,060	1,539,032
<u>3,203,999</u>	<u>4,684,961</u>	<u>4,816,247</u>	<u>4,358,823</u>	<u>4,012,055</u>	<u>5,386,791</u>



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

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Rob Sand
Auditor of State

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

To the Honorable Mayor and Members of the City Council:

We have audited in accordance with auditing standards generally accepted in the United States of America 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, 2023, and the related Notes to Financial Statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 3, 2024. 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.

Report on 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 (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Robins' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Robins' internal control.

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

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 that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 and 2003-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-003 and 2023-004 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Robins' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance 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, 2023 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.

City of Robins' Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Robins' responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The City of Robins' responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



Brian R. Brustkern, CPA
Deputy Auditor of State

July 3, 2024

City of Robins

Schedule of Findings

Year ended June 30, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 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:

	Applicable Offices
(1) Cash -reconciling bank accounts, opening mail, initiating cash receipts, handling and recording cash.	City and the Robins Firefighters Association
(2) Investments – record keeping, investing and reconciling earnings	City
(3) Receipts – opening mail, collecting, depositing, posting and reconciling.	City and the Robins Firefighters Association
(4) Utility receipts – billing, collecting, depositing, posting, entering utility rates and maintaining detailed accounts receivable records.	City
(5) Disbursements – voucher preparation, check preparation, check signing, recording and reconciling.	City and the Robins Firefighters Association
(6) Payroll – entering payroll rates and recording vacation/sick leave.	City
(7) Accounting system – performing all computer systems.	City

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.

City of Robins

Schedule of Findings

Year ended June 30, 2023

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 by getting the council member in charge of finance to review all bank statements to assure they are in balance.

Robins Firefighters Association – The Robins Firefighters Association is a very small organization with only 18 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 \$200 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.

2023-002 Bank Reconciliations

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by maintaining appropriate accounting records and reconciling bank and book balances. Independent review of bank reconciliations can help ensure the accuracy of recorded amounts.

Condition – While a bank reconciliation is prepared through the City’s software each month, the bank reconciliation was greater than the City trial balance report by \$3,055 at June 30, 2023. In addition, five of twelve months, the monthly bank reconciliations were not reviewed by an independent person.

Cause – Procedures have not been designed and implemented to perform a comprehensive reconciliation of the bank to book balances and to ensure the monthly bank reconciliations are independently reviewed for completeness and accuracy.

City of Robins

Schedule of Findings

Year ended June 30, 2023

Effect – The lack of a comprehensive reconciliation of bank to book balances and independent review of bank reconciliations can result in unrecorded transactions, undetected errors and opportunity for misappropriation.

Recommendation – The City should establish procedures to ensure all bank account balances are reconciled to the Treasurer’s Report monthly and variances, if any, are reviewed and resolved timely. An independent person should review the bank reconciliations and document their review by signing or initialing and dating the monthly reconciliations.

Response – We will strive to get our monthly bank statement reconciled in a timelier manner.

Conclusion – Response accepted.

2023-003 Disbursements

Criteria – Disbursements should be properly supported by invoice or other supporting documentation. Supporting documentation should be cancelled to prevent reuse. All disbursements of City funds, including all City departments, should be approved by the City Council prior to payment being made.

Condition – Four of twenty-five disbursements tested were not properly supported by an invoice or other documentation.

Cause – The City’s policies and procedures do not require proper documentation be maintained for disbursements.

Effect – Lack of supporting documentation for all disbursements could result in unauthorized and unsupported transactions, the opportunity for misappropriation and improperly recorded transactions.

Recommendation – The City should establish policies and procedures to require proper support for all disbursements. Disbursements should not be approved unless adequate supporting documentation is available.

Response – We will continue to work on getting employees to turn in their receipts for everything they purchase.

Conclusion – Response accepted.

City of Robins

Schedule of Findings

Year ended June 30, 2023

2023-004 Journal Entries

Criteria – Journal entries should be approved and reviewed by an independent person and the approval and review should be evidenced by signature or initials and the date the approval or review was performed.

Condition – One of three journal entries observed had no evidence of review by an independent person.

Cause – The City has a limited number of employees and procedures have not been designed to document the approval and review of journal entries.

Effect – Lack of independent approval and review of journal entries could adversely affect the City’s ability to prevent or detect and correct misstatements, errors, or misappropriations on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – Journal entries should be approved and reviewed by an independent person evidenced by signature or initials and date of approval or review.

Response – In future all journal entries will be reviewed by our City Council member in charge of finance and will be signed by the City Clerk and the City Council member.

Conclusion – Response accepted.

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

City of Robins

Schedule of Findings

Year ended June 30, 2023

Other Findings Related to Required Statutory Reporting:

- 2023-A Certified Budget – Disbursements during the year ended June 30, 2023, did not exceed the amounts budgeted.
- 2023-B 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.
- 2023-C Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- 2023-D Business Transactions – Business transactions 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	Replace McKinnon fence	\$ 1,550

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

- 2023-E 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.
- 2023-F 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.
- 2023-G City Council Minutes – Except as noted below, no transactions were found that we believe should have been approved in the City Council minutes but were not. Five of five credit card disbursements tested showed no evidence of City Council approval.

Recommendation – All disbursements should be approved by the City Council.

Response – We will work on having the City Council members review the credit card statement before the City Council meeting and indicate their approval.

Conclusion – Response accepted.

- 2023-H 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

Schedule of Findings

Year ended June 30, 2023

2023-I Tax Increment Financing – The Special Revenue, Tax Increment Financing (TIF) Fund properly disbursed payments for TIF loans and rebates. Also, the City of Robins properly completed the Tax Increment Debt Certificate Forms to request TIF properly taxes.

2023-J Annual Urban Renewal Report – The Annual Urban Renewal Report (AURR) was properly approved and certified to the Iowa Department of Management on or before December 1.

2023-K Miscoded Building Inspector Disbursement – The City records building inspector disbursements under the community and economic development function. Per the Iowa Department of Management City Finance Committee Chart of Accounts, the building inspector disbursements should be recorded under the public safety function. If these disbursements were recorded in the proper function, the public safety function would have exceeded the budget.

Recommendation – Disbursements should be recorded in accordance with the Iowa Department of Management City Finance Committee Chart of Accounts and properly budgeted in the correct function.

Response – The City will work with our software company to get our building official transactions transferred to the public safety fund to comply with the Iowa Department of Management City Finance Committee Chart of Accounts.

Conclusion – Response accepted.

2023-L Annual Financial Report – The Annual Financial Report was approved and published after the December 1, 2022 deadline.

Recommendation – The City should approve and publish the Annual Financial Report before the December 1st deadline.

Response – The City Clerk will continue working on getting the Annual Financial Report completed, approved and published before the December 1st deadline.

Conclusion – Response accepted.

2023-M Unclaimed Property – Chapter 556.11 of the Code of Iowa requires each City to report and remit obligations, including checks, outstanding for more than two years to the Office of the Treasurer of State annually. The City did not remit these obligations, as required.

Recommendation – Outstanding checks should be reviewed annually and items over two years old should be remitted to the Office of the Treasurer of State, as required.

Response – The City will begin reviewing outstanding checks to find the root of the problem and resolve the problem.

Conclusion – Response acknowledged. The City should remit outstanding checks over two years old to the Office of the Treasurer of State, as required.

City of Robins

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy
Katherine L. Rupp, CPA, Manager
William R. Bamber, CPA, Senior Auditor
Jon J. Wilson, Assistant Auditor