



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE January 28, 2003

Contact: Andy Nielsen
515/281-5515

The Office of Auditor of State today released an audit report on the City of Council Bluffs, Iowa.

The City's revenues totaled \$79,152,769 for the year ended June 30, 2002, a 16 percent increase from 2001. The revenues included \$21,306,858 in property tax, \$2,078,025 in tax increment financing revenue, \$14,946,264 in other city tax (including \$6,046,061 in local option sales tax, \$1,742,579 in hotel/motel tax, \$1,995,665 in pari-mutuel and gaming wager tax, \$508,714 in cable TV franchise tax, \$2,559,503 in casino admission fees and, \$2,093,742 in utility tax replacement excise tax), \$7,040,112 from the state, \$4,364,536 in direct and indirect federal grants and \$1,134,771 of investment income. The City also had other financing sources of \$12,459,943 from the sale of general obligation bonds and capital loan notes. The significant increase in revenues is primarily due to grants received from the Iowa West Foundation for construction of the convention center.

Expenditures and expenses for the year totaled \$89,090,306, a 25 percent increase from the prior year. Expenditures and expenses included \$20,280,463 for community protection, \$12,681,778 for human development, \$44,845,903 for home and community environment, \$6,271,622 for policy and administration and \$5,010,540 for non-program. The significant increase in expenditures and expenses was due primarily to increased activity on construction projects including the convention center.

A copy of the audit report is available for review in the office of the Auditor of State and the City Mayor's office.

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CITY OF COUNCIL BLUFFS
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2002

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City of Council Bluffs

Officials

Name	Title	Term Expires
(Before January 2002)		
Thomas Hanafan	Mayor	Jan 2002
Matt Walsh	Mayor Pro tem	Jan 2004
Paul Shomshor	Council Member	Jan 2002
Scott Belt	Council Member	Jan 2002
Chad Primmer	Council Member	Jan 2004
Emil Pavich	Council Member	Jan 2004
Terry Mauer	Director of Finance and Personnel	Indefinite
Linda Jensen	Assistant Finance Director	Indefinite
Janet Obrecht	Internal Auditor	Indefinite
Olga Ramirez	City Clerk	Indefinite
Rita Milner	Treasurer	Indefinite
Richard Wade	Attorney	Indefinite
(After January 2002)		
Thomas Hanafan	Mayor	Jan 2006
Scott Belt	Mayor Pro tem	Jan 2006
Matt Walsh	Council Member	Jan 2004
Chad Primmer	Council Member	Jan 2004
Emil Pavich	Council Member	Jan 2004
David Tobias	Council Member	Jan 2006
Terry Mauer	Director of Finance and Personnel	Indefinite
Linda Jensen	Assistant Finance Director	Indefinite
Janet Obrecht	Internal Auditor	Indefinite
Olga Ramirez	City Clerk	Retired
Cheryl Puntaney	City Clerk	Indefinite
Rita Milner	Treasurer	Indefinite
Richard Wade	Attorney	Indefinite



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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of the City of Council Bluffs, Iowa, as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of the City of Council Bluffs' management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Council Bluffs Airport Authority, a discretely presented component unit. These financial statements were audited by other independent auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Council Bluffs Airport Authority, is based solely upon the report of the other independent auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.

As more fully described in note 18 to the financial statements, the City has not reported separate fund equity components for retained earnings and contributed capital from capital grants and contributions for the Enterprise Funds. In our opinion, U.S. generally accepted accounting principles require that resources from capital grants and contributions for Enterprise Funds for the acquisition and construction of capital assets be recorded as contributed capital. The amount that should be reported as contributed capital at June 30, 2002 is not known.

As discussed in Note 19 to the general purpose financial statements, the City of Council Bluffs intends to implement Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures, for the fiscal year ending June 30, 2003. The effects of these statements are expected to significantly impact the presentation of the City's financial statements and related notes in the year of implementation. The revised requirements will include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the city's financial activities in the Management's Discussion and Analysis introduction to the basic financial statements.

In our opinion, except for the effects on the financial statements due to the omission of separate fund equity components in the Enterprise Funds as described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Council Bluffs at June 30, 2002, and the results of its operations and cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types, expendable trust funds and enterprise funds of the City of Council Bluffs for the year ended June 30, 2002.

In accordance with Government Auditing Standards, we have also issued our reports dated December 11, 2002 on our consideration of the City of Council Bluffs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the year ended June 30, 2001 (none of which are presented herein) and expressed a qualified opinion on those statements due to the omission of separate fund equity components in the Enterprise Funds. Also, we previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the two years ended June 30, 2000 (none of which are presented herein) and expressed qualified opinions on those financial statements due to the omission of the general fixed assets account group and the enterprise fund fixed assets. The supplemental information included in Schedules 1 through 25, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 11, 2002

Financial Statements

City of Council Bluffs
 Combined Balance Sheet
 All Fund Types and Account Groups – Primary Government and
 Discretely Presented Component Unit

June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Cash and pooled investments	\$ 3,851,042	5,358,997	4,378,534	8,439,122
Receivables :				
Property tax:				
Delinquent	315,306	111,517	119,455	-
Succeeding year	14,441,000	6,023,000	6,259,000	-
Tax increment financing	-	-	399	-
Installment loans (note 14)	-	919,556	-	-
Special and drainage assessments	162,769	2,231	-	2,998
Customer accounts and unbilled usage	-	-	-	-
Accrued interest	189,105	-	1,073	-
Accounts (net of \$31,000 allowance for uncollectibles in the General Fund)	828,335	123,453	118,438	594,041
Loan to Industrial Foundation	200,000	-	-	-
Due from other governments	645,903	957,146	-	2,407,306
Due from other funds (note 3)	490,790	-	-	-
Inventories	116,120	518,954	-	-
Prepaid insurance	334,248	-	-	-
Property and equipment (note 4):				
Land	-	-	-	-
Land improvements	-	-	-	-
Construction in progress	-	-	-	-
Buildings and structures	-	-	-	-
Sewer system infrastructure	-	-	-	-
Machinery and equipment	-	-	-	-
Vehicles	-	-	-	-
Accumulated depreciation	-	-	-	-
Bond/note issuance costs	-	-	-	-
Other debits:				
Amount available in				
Debt Service Fund	-	-	-	-
Amount to be provided for the retirement of general long-term debt	-	-	-	-
Total assets and other debits	\$21,574,618	14,014,854	10,876,899	11,443,467

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total Primary Government (Memorandum Only)	Component Unit Airport Authority	Total Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt			
5,036,466	2,197,625	3,153,614	-	-	32,415,400	-	32,415,400
-	-	1,452	-	-	547,730	6,159	553,889
-	-	110,000	-	-	26,833,000	-	26,833,000
-	-	-	-	-	399	-	399
-	-	-	-	-	919,556	-	919,556
-	-	-	-	-	167,998	-	167,998
1,186,264	-	-	-	-	1,186,264	-	1,186,264
-	-	-	-	-	190,178	-	190,178
-	4,278	132,205	-	-	1,800,750	3,806	1,804,556
-	-	-	-	-	200,000	-	200,000
378,199	-	60,254	-	-	4,448,808	132,975	4,581,783
-	283	-	-	-	491,073	-	491,073
59,824	16,089	-	-	-	710,987	-	710,987
-	-	-	-	-	334,248	10,238	344,486
567,929	-	-	9,752,524	-	10,320,453	-	10,320,453
848,953	-	-	13,619,176	-	14,468,129	1,042,591	15,510,720
3,341,932	-	-	6,449,148	-	9,791,080	224,231	10,015,311
19,634,234	-	-	18,923,642	-	38,557,876	850,568	39,408,444
55,868,634	-	-	-	-	55,868,634	-	55,868,634
8,620,290	22,339	-	8,811,954	-	17,454,583	118,325	17,572,908
633,563	-	-	7,300,495	-	7,934,058	-	7,934,058
(30,921,115)	(19,262)	-	-	-	(30,940,377)	(277,196)	(31,217,573)
41,587	-	-	-	-	41,587	-	41,587
-	-	-	-	4,579,534	4,579,534	-	4,579,534
-	-	-	-	53,979,335	53,979,335	-	53,979,335
65,296,760	2,221,352	3,457,525	64,856,939	58,558,869	252,301,283	2,111,697	254,412,980

City of Council Bluffs
 Combined Balance Sheet
 All Fund Types and Account Groups – Primary Government and
 Discretely Presented Component Unit

June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities				
Accounts payable	\$ 357,855	705,514	2,034	2,350,049
Salaries and benefits payable	520,515	69,127	-	-
Accrued interest payable	-	-	-	-
Trusts payable	-	-	-	-
Due to other funds (note 3)	283	270,785	-	199,569
Due to other governments	212,746	938	-	-
Deferred revenue				
Succeeding year property tax	14,441,000	6,023,000	6,259,000	-
Other	886,623	192,380	36,331	1,325,561
General obligation bonds/capital loan notes payable- current (note 5)	-	-	-	-
Notes payable-current	-	-	-	-
General obligation bonds/capital loan notes payable- non-current (note 5)	-	-	-	-
Notes payable - non-current	-	-	-	-
Compensated absences	379,186	61,455	-	-
Total liabilities	16,798,208	7,323,199	6,297,365	3,875,179
Fund Equity and Other Credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Unreserved retained earnings	-	-	-	-
Fund balances:				
Reserved for:				
Inventories	116,120	518,954	-	-
Prepaid insurance	334,248	-	-	-
Encumbrances	136,451	645	-	1,500
Debt service	-	-	4,579,534	-
Employee pension benefits	-	-	-	-
Unreserved	4,189,591	6,172,056	-	7,566,788
Total fund equity and other credits	4,776,410	6,691,655	4,579,534	7,568,288
Total liabilities, fund equity and other credits	\$21,574,618	14,014,854	10,876,899	11,443,467

See notes to financial statements.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total Primary Government	Component Unit	Total Reporting Entity
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	Airport Authority	(Memorandum Only)
1,339,634	540,773	136,480	-	-	5,432,339	39,548	5,471,887
58,246	875	14,476	-	-	663,239	2,164	665,403
-	-	-	-	-	-	1,120	1,120
-	-	6,245	-	-	6,245	-	6,245
-	1,612	18,824	-	-	491,073	-	491,073
8,196	141,213	113	-	-	363,206	-	363,206
-	-	110,000	-	-	26,833,000	-	26,833,000
590	-	-	-	-	2,441,485	13,979	2,455,464
505,552	-	-	-	-	505,552	-	505,552
-	-	-	-	-	-	14,912	14,912
3,129,561	-	-	-	57,448,764	60,578,325	-	60,578,325
-	-	-	-	-	-	111,600	111,600
157,954	1,951	-	-	1,110,105	1,710,651	-	1,710,651
5,199,733	686,424	286,138	-	58,558,869	99,025,115	183,323	99,208,438
-	-	-	64,856,939	-	64,856,939	-	64,856,939
41,587	-	-	-	-	41,587	-	41,587
60,055,440	1,534,928	-	-	-	61,590,368	1,928,374	63,518,742
-	-	-	-	-	635,074	-	635,074
-	-	-	-	-	334,248	-	334,248
-	-	-	-	-	138,596	-	138,596
-	-	-	-	-	4,579,534	-	4,579,534
-	-	90,970	-	-	90,970	-	90,970
-	-	3,080,417	-	-	21,008,852	-	21,008,852
60,097,027	1,534,928	3,171,387	64,856,939	-	153,276,168	1,928,374	155,204,542
65,296,760	2,221,352	3,457,525	64,856,939	58,558,869	252,301,283	2,111,697	254,412,980

City of Council Bluffs

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 2002

	Governmental	
	General	Special Revenue
Revenues:		
Property tax	\$ 12,382,060	4,122,329
Tax increment financing	-	424,158
Other City tax	8,022,074	2,739,428
Licenses and permits	959,622	2,135
Use of money and property	927,543	65,291
Intergovernmental	1,806,979	6,838,942
Charges for service	2,813,610	18
Special assessments	-	578
Miscellaneous	1,038,479	1,848,704
Total revenues	<u>27,950,367</u>	<u>16,041,583</u>
Expenditures:		
Community Protection Program	17,824,467	1,268,026
Human Development Program	5,537,761	-
Home and Community Environment Program	1,591,931	10,439,978
Policy and Administration Program	4,830,361	-
Non-program	-	-
Total expenditures	<u>29,784,520</u>	<u>11,708,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,834,153)</u>	<u>4,333,579</u>
Other financing sources (uses):		
Sale of land	8,623	-
General obligation bond and capital loan note proceeds (net of \$166,057 discount and \$174,000 good faith deposit)	-	-
Operating transfers in	4,963,528	579,145
Operating transfers out	(5,008,842)	(5,950,403)
Transfer to component unit from primary government	(260,663)	-
Total other financing sources (uses)	<u>(297,354)</u>	<u>(5,371,258)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,131,507)	(1,037,679)
Fund balances beginning of year, as restated (note 17)	6,720,435	7,774,823
Increase (decrease) in reserve for:		
Inventories	25,655	(45,489)
Prepaid insurance	161,827	-
Fund balances end of year	<u>\$ 4,776,410</u>	<u>6,691,655</u>

See notes to financial statements.

Fund Types		Fiduciary Fund Type	Total
Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
4,681,083	-	-	21,185,472
1,653,867	-	-	2,078,025
460,581	-	-	11,222,083
-	-	-	961,757
195,972	-	(33,899)	1,154,907
-	2,717,393	182,156	11,545,470
115,538	-	79,051	3,008,217
-	2,301	-	2,879
20,734	6,128,724	2,562,146	11,598,787
7,127,775	8,848,418	2,789,454	62,757,597
-	1,187,970	-	20,280,463
192,368	6,690,095	261,554	12,681,778
7,398,581	16,776,956	-	36,207,446
-	27,057	809,573	5,666,991
-	-	725,930	725,930
7,590,949	24,682,078	1,797,057	75,562,608
(463,174)	(15,833,660)	992,397	(12,805,011)
54,084	5,000	-	67,707
987,722	11,472,221	-	12,459,943
559,326	5,877,513	-	11,979,512
(1,017,090)	(144,403)	-	(12,120,738)
-	-	-	(260,663)
584,042	17,210,331	-	12,125,761
120,868	1,376,671	992,397	(679,250)
4,458,666	6,191,617	2,028,915	27,174,456
-	-	-	(19,834)
-	-	-	161,827
4,579,534	7,568,288	3,021,312	26,637,199

City of Council Bluffs

Combined Statement of Revenues, Expenses and
Changes in Retained Earnings/Fund Balance

All Proprietary Fund Types, Non-Expendable and Pension Trust Funds – Primary Government
and Discretely Presented Component Unit

Year ended June 30, 2002

	Proprietary Fund Types	
	Enterprise	Internal Service
Operating revenues:		
Property tax	\$ -	-
Other City tax	-	-
Use of money and property	7,920	-
Charges for service	6,822,725	3,358,893
Miscellaneous	1,310,564	270,479
Total operating revenues	8,141,209	3,629,372
Operating expenses:		
Community Protection Program:		
Personal services	-	-
Supplies and services	-	-
	-	-
Home and Community Environment Program:		
Personal services	2,777,143	-
Supplies and services	3,676,758	-
Repair and maintenance	463,868	-
Capital outlay (non-capitalized)	30,746	-
Depreciation	1,689,942	-
	8,638,457	-
Policy and Administration Program:		
Supplies and services	-	604,631
	-	604,631
Non-program:		
Personal services	-	37,521
Plan contributions and service fees	-	3,654,294
Supplies and services	-	92,179
Capital outlay (non-capitalized)	-	250,871
Depreciation	-	18,765
	-	4,053,630
Total operating expenses	8,638,457	4,658,261
Operating income (loss)	(497,248)	(1,028,889)

Fiduciary Fund Type		Total Primary Government (Memorandum Only)	Component Unit Airport Authority	Total Reporting Entity (Memorandum Only)
Non-expendable Trust	Pension Trust			
-	121,386	121,386	-	121,386
-	12,025	12,025	-	12,025
-	-	7,920	75,201	83,121
-	-	10,181,618	-	10,181,618
-	8,667	1,589,710	17,326	1,607,036
-	142,078	11,912,659	92,527	12,005,186
-	10,036	10,036	-	10,036
-	85,500	85,500	-	85,500
-	95,536	95,536	-	95,536
-	-	2,777,143	68,158	2,845,301
-	-	3,676,758	120,181	3,796,939
-	-	463,868	77,219	541,087
-	-	30,746	-	30,746
-	-	1,689,942	67,711	1,757,653
-	-	8,638,457	333,269	8,971,726
-	-	604,631	-	604,631
-	-	37,521	-	37,521
-	-	3,654,294	-	3,654,294
-	-	92,179	-	92,179
-	-	250,871	-	250,871
-	-	18,765	-	18,765
-	-	4,053,630	-	4,053,630
-	95,536	13,392,254	333,269	13,725,523
-	46,542	(1,479,595)	(240,742)	(1,720,337)

City of Council Bluffs

Combined Statement of Revenues, Expenses and
Changes in Retained Earnings/Fund Balance

All Proprietary Fund Types, Non-Expendable and Pension Trust Funds – Primary Government
and Discretely Presented Component Unit

Year ended June 30, 2002

	Proprietary Fund Types	
	Enterprise	Internal Service
Non-operating revenues (expenses):		
Local option sales tax	3,712,156	-
Interest on investments	109,941	67,583
Proceeds from demutualization of insurance provider	-	101,513
State and federal grants	81,175	-
Miscellaneous revenues	-	-
Interest expense	(223,309)	-
Miscellaneous debt expenses	(7,698)	-
Gain on sale of property and equipment	286,218	56,220
Total non-operating revenues (expenses)	3,958,483	225,316
Net income (loss) before operating transfers	3,461,235	(803,573)
Operating transfers in	84,732	141,967
Operating transfers out	(15,473)	-
Transfer from primary government to component unit	-	-
	69,259	141,967
Net income (loss)	3,530,494	(661,606)
Retained earnings/fund balance beginning of year, as restated (note 17)	56,524,946	2,196,534
Retained earnings/fund balance end of year	\$ 60,055,440	1,534,928

See notes to financial statements.

Fiduciary Fund Type		Total Primary Government (Memorandum Only)	Component Unit Airport Authority	Total Reporting Entity (Memorandum Only)
Non-expendable Trust	Pension Trust			
-	-	3,712,156	-	3,712,156
-	-	177,524	-	177,524
-	-	101,513	-	101,513
-	-	81,175	68,156	149,331
-	-	-	32,043	32,043
-	-	(223,309)	(20,349)	(243,658)
-	-	(7,698)	-	(7,698)
-	-	342,438	-	342,438
-	-	4,183,799	79,850	4,263,649
-	46,542	2,704,204	(160,892)	2,543,312
-	-	226,699	-	226,699
-	(70,000)	(85,473)	-	(85,473)
-	-	-	260,663	260,663
-	(70,000)	141,226	260,663	401,889
-	(23,458)	2,845,430	99,771	2,945,201
59,105	114,428	58,895,013	1,828,603	60,723,616
59,105	90,970	61,740,443	1,928,374	63,668,817

City of Council Bluffs

Combined Statement of Cash Flows

Proprietary Fund Types, Non-expendable Trust Fund – Primary Government and
Discretely Presented Component Unit

Year ended June 30, 2002

	Proprietary Fund Types	
	Enterprise	Internal Service
Cash flows from operating activities:		
Operating loss	\$ (497,248)	(1,028,889)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	1,689,942	18,765
(Increase) decrease in customer accounts and unbilled usage	72,269	609
(Increase) decrease in due from other governments	(54,950)	24
Decrease in due from other funds	-	79
(Increase) in inventories	(5,346)	(4,389)
(Increase) decrease in prepaid insurance	-	70,169
Increase (decrease) in accounts payable	455,984	138,172
Increase (decrease) in salaries and benefits payable	5,897	128
Decrease in due to other governments	(558)	(79)
(Decrease) in due to other funds	-	(201,643)
Increase (decrease) in deferred revenues	(249)	-
Increase (decrease) in compensated absences	12,511	(962)
Total adjustments	2,175,500	20,873
Net cash provided by (used for) operating activities	1,678,252	(1,008,016)
Cash flows from investing activities:		
Interest on investments	109,941	67,583
Proceeds from demutualization of insurance provider	-	101,513
Net cash provided by investing activities	109,941	169,096
Cash flows from capital and related financing activities:		
Non-operating grants received	75,379	-
Non-operating shared revenues (local option sales tax)	3,624,214	-
Proceeds from sale of property and equipment	300,000	-
Purchase of capital assets	(6,778,391)	-
Principal paid on general obligation capital loan notes	(491,500)	-
Interest paid on general obligation capital loan notes	(223,309)	-
Principal paid on note payable	-	-
Interest paid on note payable	-	-
Net cash provided by (used for) capital and related financing activities	(3,493,607)	-

Fiduciary Fund Type	Total Primary Government (Memorandum Only)	Component Unit <u>Airport Authority</u>	Total Reporting Entity (Memorandum Only)
-	(1,526,137)	(240,742)	(1,766,879)
	1,708,707	67,711	1,776,418
-	72,878	(2,161)	70,717
-	(54,926)	(67,043)	(121,969)
-	79		79
-	(9,735)	-	(9,735)
-	70,169	(10,238)	59,931
-	594,156	(4,611)	589,545
-	6,025	(112)	5,913
-	(637)	-	(637)
-	(201,643)	-	(201,643)
-	(249)	4,028	3,779
-	11,549	-	11,549
-	2,196,373	(12,426)	2,183,947
-	670,236	(253,168)	417,068
-	177,524	-	177,524
-	101,513	-	101,513
-	279,037	-	279,037
-	75,379	75,271	150,650
-	3,624,214	-	3,624,214
-	300,000	-	300,000
-	(6,778,391)	(193,164)	(6,971,555)
-	(491,500)	-	(491,500)
-	(223,309)	-	(223,309)
-	-	(52,639)	(52,639)
-	-	(19,229)	(19,229)
-	(3,493,607)	(189,761)	(3,683,368)

City of Council Bluffs

Combined Statement of Cash Flows

Proprietary Fund Types, Non-expendable Trust Fund – Primary Government and
Discretely Presented Component Unit

Year ended June 30, 2002

	Proprietary Fund Types	
	Enterprise	Internal Service
Cash flows from non-capital financing activities:		
Operating transfers in (out)	69,259	141,967
Transfers from primary government	-	-
Net cash provided by non-capital financing activities	<u>69,259</u>	<u>141,967</u>
 Net decrease in cash and cash equivalents	(1,636,155)	(696,953)
 Cash and cash equivalents beginning of year	<u>6,672,621</u>	<u>2,892,966</u>
 Cash and cash equivalents end of year	<u>\$ 5,036,466</u>	<u>2,196,013</u>

See notes to financial statements.

Fiduciary Fund Type	Total Primary Government (Memorandum Only)	Component Unit Airport Authority	Total Reporting Entity (Memorandum Only)
Non- expendable Trust			
-	211,226	-	211,226
-	-	266,630	266,630
-	211,226	266,630	477,856
-	(2,333,108)	(176,299)	(2,509,407)
59,105	9,624,692	160,650	9,785,342
59,105	7,291,584	(15,649)	7,275,935

City of Council Bluffs

Comparison of Receipts, Disbursements and Changes in Balances -
Actual to Budget (Cash Basis) - All Governmental Fund Types,
Expendable Trust Funds and Enterprise Funds

Year ended June 30, 2002

	Actual	Less Funds not Required to be Budgeted
Receipts:		
Property tax	\$ 21,557,863	-
Tax increment financing	2,166,089	-
Other City tax	14,430,460	-
Licenses and permits	965,149	-
Use of money and property	2,157,202	12,377
Intergovernmental	10,578,897	-
Charges for service	9,909,769	-
Special and drainage assessments	76,308	-
Miscellaneous	12,206,765	617,506
Total receipts	<u>74,048,502</u>	<u>629,883</u>
Disbursements:		
Community Protection Program	20,004,445	-
Human Development Program	11,854,631	-
Home and Community Environment Program	49,977,834	-
Policy and Administration	5,629,592	-
Non-program	800,075	800,075
Total disbursements	<u>88,266,577</u>	<u>800,075</u>
Deficiency of receipts under disbursements	(14,218,075)	(170,192)
Other financing sources, net	<u>11,655,478</u>	-
Deficiency of receipts and other financing sources under disbursements and other financing uses	(2,562,597)	(170,192)
Balance beginning of year	<u>32,661,939</u>	1,494,540
Balance end of year	<u>\$ 30,099,342</u>	<u>1,324,348</u>

See notes to financial statements.

Net	Amended Budget	Variance Favorable (Unfavorable)	Net as % of Amended Budget
21,557,863	21,350,966	206,897	101%
2,166,089	1,862,000	304,089	116%
14,430,460	10,318,675	4,111,785	140%
965,149	840,425	124,724	115%
2,144,825	1,446,650	698,175	148%
10,578,897	16,003,957	(5,425,060)	66%
9,909,769	10,068,400	(158,631)	98%
76,308	85,244	(8,936)	90%
11,589,259	16,084,158	(4,494,899)	72%
73,418,619	78,060,475	(4,641,856)	94%
20,004,445	20,285,121	280,676	99%
11,854,631	12,842,064	987,433	92%
49,977,834	55,863,521	5,885,687	89%
5,629,592	5,818,678	189,086	97%
-	-	-	-
87,466,502	94,809,384	7,342,882	92%
(14,047,883)	(16,748,909)		
11,655,478	12,459,000		
(2,392,405)	(4,289,909)		
31,167,399	31,391,410		
28,774,994	27,101,501		

City of Council Bluffs

Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

The City of Council Bluffs is a political subdivision of the State of Iowa located in Pottawattamie County. It was first incorporated in 1853 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 general government, public safety, streets, sanitation and health, cultural and park facilities and social services. It also operates the sewer and solid waste utilities.

The financial statements of the City of Council Bluffs have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. Reporting Entity

For financial reporting purposes, the City of Council Bluffs has included all funds, organizations, account groups, 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 Council Bluffs (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

The Council Bluffs Public Library Foundation has been incorporated under the provisions of the Iowa Nonprofit Corporation Act to operate exclusively for charitable, educational and literary purposes for the enhancement and improvement of the Council Bluffs Public Library. In accordance with criteria set by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be blended. The financial activity of this component unit has been blended as an Expendable Trust Fund of the City.

The Friends of the Council Bluffs Public Library has been incorporated under Chapter 504A of the Code of Iowa to receive donations for the benefit of the Council Bluffs Public Library that are used to purchase items which are not included in the City's budget. In accordance with criteria set by the Governmental Accounting Standards Board, Friends of the Council Bluffs Public Library meet the definition of a component unit which should be blended. The financial activity of this component unit has been blended as an Expendable Trust Fund of the City.

Discretely Presented Component Unit

The Council Bluffs Airport Authority (Authority) was established pursuant to Chapter 330A of the Code of Iowa to operate the City's airport facility. The Authority is governed by a seven member board appointed by the Mayor, with concurrence of a majority of the City Council. The board members serve at the pleasure of the City. The City annually collects and remits the taxes levied by the Authority. In accordance with criteria set by the Governmental Accounting Standards Board, the Authority meets the definition of a component unit which should be discretely presented. The Authority is accounted for as a Proprietary Fund in these financial statements.

Jointly Governed Organization

The City also participates in the Pottawattamie County Assessor's Conference Board, a jointly governed organization established pursuant to Chapter 441 of the Code of Iowa.

Related Organizations and Organizations with Joint Venture Characteristics

The City participates in several related organizations or related organizations with joint venture characteristics for which the City is not financially accountable even though the City appoints a voting majority of the organization's governing board or the organization's financial activity is reported in the City's financial statements and in another participating government's financial statements. City officials are members of or appoint representatives to the following organizations: Municipal Housing Agency, Convention and Visitors Bureau, the Pottawattamie County Communications Center Commission and the Council Bluffs Municipal Waterworks. An audit of the Council Bluffs Municipal Waterworks has been completed by other independent auditors and is filed under separate cover.

B. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The various funds and account groups and their designated purposes are as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are 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 expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Debt Service Funds - The Debt Service Funds are utilized to account for the accumulation of resources for, and the payment of interest and principal on the City's general long-term debt.

Capital Projects Funds - The Capital Projects Funds are utilized to account for all resources used in the acquisition and construction of capital facilities, with the exception of those that are financed through enterprise and other funds.

Proprietary Funds

Enterprise Funds - The Enterprise Funds are utilized to account for the acquisition, operation and maintenance of governmental facilities and services that are supported by user charges.

Internal Service Fund - The Internal Service Funds are utilized to account for the financing of goods or services purchased by one department or agency of the City and provided to other departments or agencies, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust Funds - The Trust Funds are used to account for assets held by the City in a trustee capacity. These include expendable and non-expendable trust funds and pension trust funds. The non-expendable trust fund reports the perpetual care assets for the Fairview Cemetery. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds.

Agency Funds - The Agency Funds are used to account for assets held by the City as an agent for the Section 8 and municipal housing programs. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

Component Unit - Accounts for the financial activity of the Council Bluffs Airport Authority. This authority meets the requirements to be reported as a discretely presented component unit.

Account Groups

General Fixed Assets - This account group is established to account for the general fixed assets of the City.

General Long-Term Debt Account Group - This account group is established to account for all general long-term debt of the City. Long-term liabilities expected to be financed from Governmental Funds are accounted for in this account group, not in the Governmental Funds.

C. Measurement Focus

Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental Fund operating statements present increases, revenues and other financing sources, and decreases, expenditures and other financing uses in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Except for \$41,587 of contributed capital related to bond/note issuance costs, their fund equity, net total assets, is reported as retained earnings. Proprietary Fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

In reporting the financial activity of its proprietary funds, the City applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at time of purchase.

Property taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

All Proprietary Funds, the Non-expendable Trust Fund and the Pension Trust Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

The assets and liabilities of the Agency Funds are accounted for using the modified accrual basis of accounting.

The City maintains its financial records on the cash basis. The financial statements of the City are prepared by making memorandum adjusting entries to the cash basis financial records.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the combined balance sheet:

Cash, Pooled Investments, and Cash Equivalents – The cash balances of most City funds are pooled and invested. Interest earned on investments is recognized as revenue in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for the investment in the Iowa Public Agency Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in governmental fund types are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the City Council to the County Board of Supervisors. Delinquent property taxes receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the City Council to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute the City Council is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2000 assessed property valuations; is for the tax accrual period July 1, 2001 through June 30, 2002 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in March 2001.

Customer Accounts and Unbilled Usage – Accounts receivable are recorded in the enterprise funds at the time the service is billed. Unbilled usage for service consumed between periodic scheduled billing dates is estimated and recognized as revenue in the period in which the service is provided.

Special and Drainage Assessments Receivable – Special and drainage assessments receivable represents the amounts assessed to individuals for work done which benefits their property. These assessments are payable by individuals in not less than 10 nor more than 20 annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other tax.

Assessments receivable represent assessments which are due and payable but have not been collected.

Due from and Due to Other Funds - During the course of its operations, the City has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2002, balances of interfund amounts receivable or payable have been recorded.

Due From Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories - Proprietary Fund inventories of materials and supplies are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The cost of inventories in the governmental funds are recorded as an expenditure at the time individual inventory items are purchased.

Bond/Note Discounts and Issuance Costs - Bond/note discounts and issuance costs associated with general obligation bonds/capital loan notes recorded in the Enterprise Funds are deferred and amortized over the term of the bonds/notes using the bond outstanding method which approximates the interest method. Bond/note discounts are deducted from the bonds/notes outstanding and unamortized issuance costs are presented as other assets.

Property and Equipment

General fixed assets are recorded as expenditures in the Governmental Funds and are capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost or estimated historical cost where historical cost is not available. Assets acquired by gift are accounted for at the asset's fair market value at the date of the gift. The General Fixed Assets Account Group excludes public domain or "infrastructure" general fixed assets such as roads, bridges, curbs, gutters, streets, sidewalks and similar assets that are immovable and of value only to the government.

In accordance with U.S. generally accepted accounting principles, depreciation expense is not recorded on general fixed assets. At the time an asset is removed from service, the cost is removed from the General Fixed Asset Account Group. Maintenance and repairs are recorded as expenditures in the Governmental Funds as incurred and are not capitalized.

During the year ended June 30, 2002 no interest costs were capitalized since the City's policy is not to capitalize interest costs on assets constructed or acquired with tax-exempt debt paid for from annual debt service tax levies.

Proprietary Fund

Proprietary fund type property and equipment is accounted for at original cost. Contributed fixed assets are recorded at estimated fair market value at the time received.

All exhaustible fixed assets in the proprietary funds are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 to 20 years
Buildings and structures	40 to 50 years
Sewer system infrastructure	65 years
Machinery and equipment	5 to 20 years
Vehicles	5 to 10 years

The cost of repairs and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

During the year ended June 30, 2002, no interest costs were capitalized since the City's policy is not to capitalize interest costs on assets constructed on behalf of proprietary funds and acquired with tax-exempt debt paid for from annual debt service tax levies.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, as well as delinquent property tax receivable, special and drainage assessments receivable and other receivables not collected within sixty days after year end.

Compensated Absences - City employees accumulate a limited amount of earned but unused vacation and sick leave benefits and compensatory time for subsequent use or for payment upon termination, death or retirement. For Proprietary Funds these accumulations are recorded as liabilities and expenses for the year earned. Amounts representing the cost of compensated absences expected to be liquidated currently are recorded as liabilities of the Governmental Funds. A liability has been recorded in the General Long-Term Debt Account Group representing the City's commitment to fund non-current compensated absences in the Governmental Funds. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2002.

Unreserved Retained Earnings - The unreserved retained earnings of the Self Insurance Fund is designated for anticipated future catastrophic losses of the City.

Reserved for Encumbrances - An encumbrance represents commitments related to unperformed contracts for goods or services where appropriations lapse at year-end and the City intends to honor them. For Governmental Funds and Expendable Trust Funds, encumbrances outstanding at year-end are disclosed by a reservation of fund balance.

F. Budgets and Budgetary Accounting

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 blended component units, internal service, non-expendable trust, pension trust and agency funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon four major classes of expenditures, known as programs, not by fund. These four programs are community protection, human development, home and community environment and policy and administration.

Exhibit E is a comparison of cash basis receipts and disbursements and changes in balances with the cash basis budget, which is legally controlled by program, not fund type. Operations and ending fund balances on the cash and modified accrual basis have been reconciled as follows:

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$27,820,730	129,637	27,950,367	16,066,860	(25,277)	16,041,583
Expenditures	29,810,592	(26,072)	29,784,520	11,739,519	(31,515)	11,708,004
Net	(1,989,862)	155,709	(1,834,153)	4,327,341	6,238	4,333,579
Other financing sources (uses)	361,793	(659,147)	(297,354)	(5,515,352)	144,094	(5,371,258)
Beginning fund balances, as restated	6,800,173	(79,738)	6,720,435	6,132,131	1,642,692	7,774,823
Increase (decrease) in reserve for:						
Inventories	-	25,655	25,655	-	(45,489)	(45,489)
Prepaid insurance	-	161,827	161,827	-	-	-
Ending fund balances	\$ 5,172,104	(395,694)	4,776,410	4,944,120	1,747,535	6,691,655

	Governmental Fund Types					
	Debt Service			Capital Projects		
	Cash Basis	Accrual Adjustments	Modified Accrual Basis	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 8,050,332	(922,557)	7,127,775	7,436,694	1,411,724	8,848,418
Expenditures	8,304,008	(713,059)	7,590,949	23,373,910	1,308,168	24,682,078
Net	(253,676)	(209,498)	(463,174)	(15,937,216)	103,556	(15,833,660)
Other financing sources (uses)	507,604	76,438	584,042	16,653,187	557,144	17,210,331
Beginning fund balances, as restated	4,124,606	334,060	4,458,666	7,011,812	(820,195)	6,191,617
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-
Ending fund balances	\$ 4,378,534	201,000	4,579,534	7,727,783	(159,495)	7,568,288

	Fiduciary Funds			Total Governmental and		
	Expendable Trust			Fiduciary Fund Types		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	\$ 2,691,888	97,566	2,789,454	62,066,504	691,093	62,757,597
Expenditures	1,780,129	16,928	1,797,057	75,008,158	554,450	75,562,608
Net	911,759	80,638	992,397	(12,941,654)	136,643	(12,805,011)
Other financing sources (uses)	-	-	-	12,007,232	118,529	12,125,761
Beginning fund balances, as restated	1,920,597	108,318	2,028,915	25,989,319	1,185,137	27,174,456
Increase (decrease) in reserve for:						
Inventories	-	-	-	-	(19,834)	(19,834)
Prepaid insurance	-	-	-	-	161,827	161,827
Ending fund balances	\$ 2,832,356	188,956	3,021,312	25,054,897	1,582,302	26,637,199

	Proprietary Funds		
	Enterprise		
	Cash Basis	Accrual Adjust-ments	Accrual Basis
Revenues	\$11,981,997	390,289	12,372,286
Expenses	13,258,419	(4,388,955)	8,869,464
Net	(1,276,422)	4,779,244	3,502,822
Operating transfers in (out)	(351,754)	421,013	69,259
Beginning retained earnings	6,672,621	49,852,325	56,524,946
Ending retained earnings	\$ 5,044,445	55,052,582	60,097,027

G. Total (Memorandum Only)

The total columns of the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2002, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

The City's investments are categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or the securities are held by the City or its agent in the City's name. Category 2 includes

investments that are uninsured or unregistered, with securities held by the counterparty's trust department or agent in the City's name.

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The City's investments at June 30, 2002 are as follows:

Type	Category	Fair Value
U.S. Treasury securities	1	\$ 199,380
Federal Home Loan Bank note	1	7,218,750
Repurchase agreements	2	<u>12,602,000</u>
Total		<u>\$ 20,020,130</u>

In addition, the City had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$4,343,403 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

The Council Bluffs Public Library Foundation investments at June 30, 2002 consist of mutual funds with a fair value of \$1,304,701 that are not subject to risk categorization.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2002 is as follows:

Receivable Fund	Payable Fund	Amount
General: General	Special Revenue:	
	CDBG Grant	\$ 214,685
	HOME Program	56,100
	Capital Projects:	
	00-1 Capital Loan Note	199,569
	Internal Service:	
	Graphic Arts	1,612
Internal Service: Miscellaneous	Agency:	
	Section 8	5,604
	Municipal Housing Agency	<u>13,220</u>
		<u>490,790</u>
	General:	
	General	<u>283</u>
Total		<u>\$ 491,073</u>

(4) General Fixed Assets

A summary of changes in property and equipment comprising general fixed assets for the year ended June 30, 2002 is as follows:

	Balance Beginning of Year as restated, (note 17)	Additions	Deletions	Balance End of Year
Land	\$ 6,770,207	3,046,457	64,140	9,752,524
Construction in Progress	-	6,449,148	-	6,449,148
Land improvements	8,541,705	5,339,460	261,989	13,619,176
Buildings and structures	14,297,011	5,402,965	776,334	18,923,642
Machinery and equipment	7,924,096	1,196,902	309,044	8,811,954
Vehicles	7,378,964	459,960	538,429	7,300,495
Total	\$44,911,983	21,894,892	1,949,936	64,856,939

(5) Long-Term Debt

General Obligation Bonds/Notes Payable:

General obligation bonds/notes have been issued for both general government and proprietary activities. The portion of unmatured general obligation bonds/notes accounted for in the general long-term debt account group and serviced by the Debt Service Fund totaled \$57,448,764 as of June 30, 2002. The portion of unmatured general obligation notes expected to be repaid from proprietary revenues and accounted for in the Enterprise Funds totaled \$3,635,113 as of June 30, 2002. In compliance with statutory requirements, funds pledged and available in the Enterprise Funds to service general obligation notes are recorded as reimbursements to the Debt Service Fund in the City's accounting system. General obligation bonds/notes bear interest with rates ranging from 3.50% to 7.00%.

Annual debt service requirements to maturity for the City's June 30, 2002 general obligation bond/note indebtedness are as follows:

Year Ending June 30,	General Obligation Bonds		General Obligation Capital Loan Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2003	\$ 1,620,000	586,803	3,923,934	2,128,891	5,543,934	2,715,694
2004	1,205,000	475,503	6,365,668	1,905,088	7,570,668	2,380,591
2005	1,370,000	459,403	5,907,799	1,615,582	7,277,799	2,074,985
2006	1,440,000	410,088	5,735,352	1,328,034	7,175,352	1,738,122
2007	1,520,000	352,893	5,968,352	1,049,335	7,488,352	1,402,228
2008	1,595,000	290,323	6,251,824	771,187	7,846,824	1,061,510
2009	1,680,000	222,763	6,510,796	490,177	8,190,796	712,940
2010	1,875,000	154,963	5,595,300	247,924	7,470,300	402,887
2011	370,000	81,613	2,180,364	38,160	2,550,364	119,773
Total	\$ 12,675,000	3,034,348	48,439,389	9,574,378	61,114,389	12,608,726

Changes in Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2002 is as follows:

	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002	
Reported in the General Long-Term Debt Account Group:					
General obligation bonds/ capital loan notes:					
Essential Corporate Purpose	\$ 49,254,841	12,800,000	(4,606,077)	57,448,764	
Guaranteed notes	155,000	-	(155,000)	-	
Compensated absences	1,008,513	101,592	-	1,110,105	
Total	\$ 50,418,354	12,901,592	(4,761,077)	58,558,869	
Reported in the Proprietary Fund Type:					
Enterprise Fund:					
General obligation capital loan notes:					
Essential Corporate Purpose	\$ 4,118,915	-	(483,802)	3,635,113	(1)
Internal Service Fund:					
Capital lease purchase agreement	\$ 82,174	-	(82,174)	-	

(1) Notes were sold at a discount; unamortized discount at June 30, 2002 was \$30,512.

(6) Pension and Retirement Benefits

Iowa Public Employees Retirement System

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

Plan members are required to contribute 3.70% of their annual salary and the City is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$585,115, \$549,071 and \$524,803, respectively, equal to the required contributions for each year.

Chapter 410 Police and Fire Pension Plan

Chapter 410 of the Code of Iowa creates a retirement system for police officers and fire fighters of any City qualified to participate under this Chapter. Any duly appointed member of the police and fire departments whose appointment occurred before March 2, 1934 or police and fire fighters who had been making payments of membership fees and assessments prior to July 1, 1971 may be a member of the system. The pension plan is accounted for by the City in the Pension Trust Fund, Firemen's Pension Fund.

The plan is administered by the Police Pension Board of Trustees and the Fire Pension Board of Trustees and provides retirement, disability and death benefits. The benefits are established under state statute and provide for full retirement benefits at age 50 with 22 years or more of service. Full benefits are equal to fifty percent of the monthly salary at retirement or disability and twenty-five percent of the monthly salary at death. No information is available regarding actuarially computed liabilities or assets.

Municipal Fire and Police Retirement System of Iowa

The City contributes to the Municipal Fire and Police Retirement System of Iowa (the Plan) which is a cost-sharing multiple-employer defined benefit retirement system administered by a Board of Trustees. The Plan provides retirement, disability and death benefits which are established by state statute to plan members and beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MFPRSI, 2836 104th Street, Des Moines, Iowa, 50322.

Plan members are required to contribute 9.35% of earnable compensation and the City's contribution rate may not be less than 17% of earnable compensation. Contribution requirements are established by state statute. The City's contribution to the Plan for the years ended June 30, 2002, 2001, and 2000 were \$1,705,465, \$1,593,643 and \$1,537,325, respectively, which met the required minimum contributions for each year.

(7) Transit Authority Agreement

The City has contracted for transit service on a regular, scheduled basis over certain routes within the City of Council Bluffs. The contract provides that the City shall pay the net operating cost of service over these routes within the City. During the year ended June 30, 2002, the City paid \$602,309 under this contract.

(8) Pending Litigation and Contingent Liabilities

The City is subject to pending litigation seeking damages. The amount and probability of loss, if any, is not determinable. The City is self-insured for the first \$250,000 of loss.

(9) Industrial Development Revenue Bonds

The City has issued a total of \$54,105,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa. 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.

(10) Employee Health Insurance Plan

The Council Bluffs Self Insurance Fund was established to account for the partial self funding of the City's health insurance benefit plan. The plan is funded by both employee and City contributions and is administered through a service agreement with Principal Mutual Life Insurance Company. The agreement is subject to automatic renewal provisions. The City assumes liability for claims up to the individual stop loss limitation of \$110,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Council Bluffs Self Insurance Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Firststar Bank, Council Bluffs and Principal Mutual Life Insurance Company administers the plan funds. The City records the plan assets and related liabilities of the Self Insurance Fund as an Internal Service Fund. The City's contribution to the fund for the year ended June 30, 2002 was \$2,282,456.

Amounts payable from the Self Insurance Fund at June 30, 2002 total \$497,707 which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims, and to establish a reserve for catastrophic losses. That reserve was \$482,757 at June 30, 2002 and is reported as a designation of the Self Insurance Fund retained earnings. A liability has been established based on the requirements of Government Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. Information on a reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

Unpaid claims as of July 1, 2001	\$ 419,876
Incurred claims (including claims incurred but not reported as of June 30, 2002	3,291,300
Payments on claims	<u>(3,213,469)</u>
Unpaid claims as of June 30, 2002	<u>\$ 497,707</u>

(11) Deficit Equity Balances

The Capital Projects Funds, Sports Complex and Miscellaneous Accounts, and the Expendable Trust Fund, Library Grants Account had deficit fund balances of \$166,722, \$559,345 and \$4,376, respectively, at June 30, 2002. The deficit balances will be eliminated upon receipt of future gaming wager tax, grants and other receipts.

(12) Construction Commitments

Construction commitments at June 30, 2002 totaled \$19,878,439 which will be paid as work on the projects progresses. These projects will be funded through general obligation notes, grants and local funds on hand.

(13) Risk Management

The City of Council Bluffs 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 and \$250,000 self-insured retention on liability and auto coverage only and \$350,000 on workers' compensation. The City assumes liability for any deductible and claims in excess of coverage limits. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(14) CDBG Installment Loan Escrow Fund

During the year ended June 30, 1977, the City of Council Bluffs received funding for an individual housing rehabilitation loan program from the Department of Housing and Urban Development. These funds were subsequently loaned to individuals in the City. Upon receipt of the loan payments from the individuals, the funds remain in the Special Revenue Fund, CDBG Grant Fund. The CDBG Installment Loan Escrow Fund receives a portion of loan payments for payment of property taxes and insurance. Active loans during the year ended June 30, 2002 carry an interest rate of 3% and have terms ranging from 10 to 20 years. At June 30, 2002 there were 95 active loans with a total outstanding principal balance of \$919,556.

(15) Development and Rebate Agreements

The City has entered into five development and rebate agreements to assist in certain urban renewal projects. The City agreed to rebate incremental taxes paid by the developers in exchange for infrastructure improvements, rehabilitation and development of commercial projects constructed by the developers as set forth in the urban renewal plan and the individual development and rebate agreements. The incremental taxes to be received by the City under Chapter 403.19 of the Code of Iowa from the developers will be rebated for a period ranging from eight to ten years, beginning with the tax year in which the property taxes on the completed value of the improvements are first paid. The total amount that will be rebated under the development and rebate agreements is not to exceed amounts ranging from \$300,000 to \$1,100,000. Certain of the agreements include provisions for payment of interest.

During the year ended June 30, 2002, the City rebated \$385,894 of incremental taxes to the developers, paying \$76,003 of principal and \$309,591 of interest. The outstanding principal balance on the agreements at June 30, 2002 is \$2,168,193.

No bonds or notes were issued for these construction projects. To the extent that on any payment date there are insufficient tax increment revenues available to make the required scheduled payment, the unpaid amount shall be carried over to the next payment date without accruing any further interest.

These agreements are not a general obligation of the City, however the debt payment in the succeeding year is subject to the constitutional debt limitation of the City.

(16) Segment Information for Enterprise Funds

The City maintains two enterprise funds which provide sewer and solid waste services. The City also has a discretely presented component unit that operates the City's airport facility. The funds are set up to operate primarily from proceeds of user charges. Segment information for the year ended June 30, 2002 is as follows:

	Sewer	Refuse and Disposal	Total Primary Govern- ment	Component Unit	Total Reporting Entity
Results of operations:					
Operating revenues	\$ 5,180,468	3,002,328	8,182,796	92,527	8,275,323
Operating expenses					
Depreciation	1,531,152	158,790	1,689,942	67,711	1,757,653
Other	4,235,759	2,712,756	6,948,515	265,558	7,214,073
Operating (loss)	(586,443)	130,782	(455,661)	(240,742)	(696,403)
Non-operating revenues (expenses), net	3,900,000	58,483	3,958,483	78,420	4,036,903
Operating transfers in (out)	20,051	49,208	69,259	-	69,259
Transfer in - primary government	-	-	-	260,663	260,663
Net income	3,333,608	238,473	3,572,081	98,341	3,670,422
Financial position:					
Total assets	60,963,239	4,333,521	65,296,760	2,111,697	67,408,457
Net working capital	4,052,156	538,425	4,590,581	95,434	4,686,015
Property and equipment, net	55,113,641	3,480,779	58,594,420	1,958,519	60,552,939
Property and equipment:					
Additions	5,918,567	719,460	6,638,027	399,917	7,037,944
Deletions	(53,463)	(2,500)	(55,963)	(2,061,151)	(2,117,114)
General obligation capital loan notes payable	3,635,113	-	3,635,113	-	3,635,113
Retained earnings	56,036,236	4,019,204	60,055,440	1,928,374	61,983,814
Contributed capital:					
Balance beginning of year	50,403	-	50,403	-	50,403
Deductions	(8,816)	-	(8,816)	-	(8,816)
Balance end of year	41,587	-	41,587	-	41,587
Total fund equity	\$ 56,077,823	4,019,204	60,097,027	1,928,374	62,025,401

(17) Restatements

On July 1, 2001, certain Special Revenue Funds for urban renewal tax increment financing activity previously reported as Debt Service Funds were reclassified in order to more properly reflect economic development activity for each individual development and rebate agreement. The effect of this restatement was to decrease the beginning fund balances of the Debt Service Fund by \$179,390 to \$4,262,194 and to increase the Special Revenue Fund balances by \$179,390 to \$7,774,823 for the following four funds: East Broadway Tax Increment Financing; INRIP (Iowa Nebraska River Industrial Park); Bennett Avenue TIF; and Featherstone TIF.

The beginning balance of the Component Unit at July 1, 2001 has been restated to remove assets that were previously reported by the Component Unit but were retained by the City. The effect of the restatement on the Component Unit was to reduce property and equipment by \$992,008. The effect of the restatement on the Primary Government was to increase the beginning fund balance of the Debt Service Fund, General by \$196,472 to record a sinking fund retained by the City, and to increase the General Fixed Asset Account Group by \$992,008.

(18) Fund Equity Components for Enterprise Funds

Except for \$41,587 of unamortized bond/note issuance costs provided by other funds, the City has not reported separate fund equity components for retained earnings and contributed capital for the Enterprise Funds as required by U.S. generally accepted accounting principles. The amount that should be reported as contributed capital at June 30, 2002 is not known. Governmental Accounting Standards Board Statement No. 34, which will be effective for the City of Council Bluffs for the year ending June 30, 2003, does not require fund equity to be segregated into contributed capital and retained earnings components. Accordingly, the City has chosen not to expend the resources to collect this data which would be useful for only one year.

(19) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments; Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the fiscal year ending June 30, 2003. The effects are expected to significantly impact the presentation of governmental financial statements in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual basis of accounting. Also, the revised minimum reporting requirements include Management's Discussion and Analysis to introduce the basic financial statements and to provide an analytical overview of the financial activities.

Supplemental Information

City of Council Bluffs

City of Council Bluffs

Balance Sheet

General Fund

June 30, 2002

	General	Gaming	Insurance Levy	Total
Assets				
Cash and pooled investments	\$ -	2,324,695	1,526,347	3,851,042
Receivables:				
Property tax:				
Delinquent	297,224	-	18,082	315,306
Succeeding year	13,613,000	-	828,000	14,441,000
Special assessments	162,769	-	-	162,769
Accrued interest	189,105	-	-	189,105
Accounts (net of \$31,000 allowance for uncollectibles)	741,790	86,545	-	828,335
Loan to Industrial Foundation	-	200,000	-	200,000
Due from other governments	645,903	-	-	645,903
Due from other funds	394,420	96,370	-	490,790
Inventories	116,120	-	-	116,120
Prepaid insurance	-	-	334,248	334,248
Total assets	\$ 16,160,331	2,707,610	2,706,677	21,574,618
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 351,048	40	6,767	357,855
Salaries and benefits payable	516,379	-	4,136	520,515
Due to other funds	283	-	-	283
Due to other governments	212,746	-	-	212,746
Deferred revenue:				
Succeeding year property tax	13,613,000	-	828,000	14,441,000
Other	681,123	200,000	5,500	886,623
Compensated absences	377,327	-	1,859	379,186
Total liabilities	15,751,906	200,040	846,262	16,798,208
Fund equity:				
Fund balances:				
Reserved for:				
Inventories	116,120	-	-	116,120
Prepaid insurance	-	-	334,248	334,248
Encumbrances	16,619	119,832	-	136,451
Unreserved	275,686	2,387,738	1,526,167	4,189,591
Total fund equity	408,425	2,507,570	1,860,415	4,776,410
Total liabilities and fund equity	\$ 16,160,331	2,707,610	2,706,677	21,574,618

See accompanying independent auditor's report.

Schedule 2

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Revenues:				
Property tax	\$ 11,673,459	-	708,601	12,382,060
Other City tax:				
Hotel/motel tax	1,742,579	-	-	1,742,579
Parimutuel wager tax	114,473	-	-	114,473
Gaming wager tax	-	1,881,192	-	1,881,192
Cable TV franchise tax	508,714	-	-	508,714
Casino admission fee	-	2,559,503	-	2,559,503
Utility tax replacement excise tax	1,145,892	-	69,721	1,215,613
	<u>3,511,658</u>	<u>4,440,695</u>	<u>69,721</u>	<u>8,022,074</u>
Licenses and permits	<u>959,622</u>	-	-	<u>959,622</u>
Use of money and property:				
Interest on investments	647,305	-	-	647,305
Increase in fair value of investments	176,888	-	-	176,888
Rent and royalties	11,939	-	-	11,939
Miscellaneous city fees	91,411	-	-	91,411
	<u>927,543</u>	-	-	<u>927,543</u>
Intergovernmental:				
State allocation	797,495	-	-	797,495
Bank franchise tax	24,425	-	-	24,425
State transit assistance	141,476	-	-	141,476
Federal transit capital and operating assistance formula grants	157,808	-	-	157,808
Transportation planning and research	12,697	-	-	12,697
County library contribution	57,925	-	-	57,925
Public safety partnership and community policing grants	83,577	-	-	83,577
Law enforcement block grant	37,444	-	-	37,444
Byrne formula grant program	86,419	-	-	86,419
Bulletproof vest partnership program	5,438	-	-	5,438
School liaison program	173,355	-	-	173,355

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Revenues (continued):				
Intergovernmental:				
Violence against women formula grants	55,032	-	-	55,032
Immunization grants	23,486	-	-	23,486
Acquired immunodeficiency syndrome (AIDS) activity	37,780	-	-	37,780
Preventive health and health services block grant	5,540	-	-	5,540
Disaster assistance program	28,405	34,084	-	62,489
State reimbursement	39,557	-	-	39,557
Miscellaneous	5,036	-	-	5,036
	<u>1,772,895</u>	<u>34,084</u>	<u>-</u>	<u>1,806,979</u>
Charges for service:				
Air pollution monitoring	5,180	-	-	5,180
Weed cutting	89,546	-	-	89,546
Miscellaneous fees and inspections	131,193	-	-	131,193
Sewer connection and inspection	7,734	-	-	7,734
Ambulance	676,378	-	-	676,378
Parking meter	164,599	-	-	164,599
Copy	21,773	-	-	21,773
Animal impound and service	85,291	-	-	85,291
Police service fees	567,018	-	-	567,018
Safety fees	14,569	-	-	14,569
Library fines and fees	59,389	-	-	59,389
Park and recreation	111,057	-	-	111,057
Hazmat fees	11,347	-	-	11,347
Swimming pool admissions	144,130	-	-	144,130
Golf:				
Green fees	655,084	-	-	655,084
Concessions	57,647	-	-	57,647
Umpire fees	4,340	-	-	4,340
Miscellaneous	7,335	-	-	7,335
	<u>2,813,610</u>	<u>-</u>	<u>-</u>	<u>2,813,610</u>

Schedule 2

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Revenues (continued):				
Miscellaneous:				
Recreation sales tax	55,065	-	-	55,065
Court fines	412,735	-	-	412,735
Parking violations	38,936	-	-	38,936
Animal enforcement	2,291	-	-	2,291
Vehicle auction	173,444	-	-	173,444
Sale of salvage	72,644	-	-	72,644
Refunds	64,590	-	9,543	74,133
Insurance settlement	13,456	-	-	13,456
Donations	47,664	-	-	47,664
Payment in lieu of taxes	19,437	-	-	19,437
Loan repayment	23,826	-	-	23,826
Nongovernmental grant	78,879	5,000	-	83,879
Miscellaneous	20,969	-	-	20,969
	<u>1,023,936</u>	<u>5,000</u>	<u>9,543</u>	<u>1,038,479</u>
Total revenues	<u>22,682,723</u>	<u>4,479,779</u>	<u>787,865</u>	<u>27,950,367</u>
Expenditures:				
Community Protection Program:				
Police:				
Administration:				
Personal services	1,134,797	-	-	1,134,797
Supplies and services	371,199	-	-	371,199
Capital outlay	14,099	-	-	14,099
	<u>1,520,095</u>	<u>-</u>	<u>-</u>	<u>1,520,095</u>
Uniform patrol:				
Personal services	4,988,859	-	-	4,988,859
Supplies and services	56,193	-	-	56,193
Capital outlay	26,336	-	-	26,336
	<u>5,071,388</u>	<u>-</u>	<u>-</u>	<u>5,071,388</u>
Criminal investigations:				
Personal services	1,174,930	-	-	1,174,930
Supplies and services	29,993	-	-	29,993
Capital outlay	1,387	-	-	1,387
	<u>1,206,310</u>	<u>-</u>	<u>-</u>	<u>1,206,310</u>
Gaming:				
Capital outlay	-	573,138	-	573,138

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	Insurance			Total
	General	Gaming	Levy	
Expenditures (continued):				
Community Protection Program:				
Services:				
Personal services	857,271	-	-	857,271
Supplies and services	233,525	-	-	233,525
Capital outlay	31,026	-	-	31,026
	<u>1,121,822</u>	-	-	<u>1,121,822</u>
Vice and intelligence:				
Personal services	492,571	-	-	492,571
Supplies and services	47,592	-	-	47,592
Capital outlay	3,376	-	-	3,376
	<u>543,539</u>	-	-	<u>543,539</u>
911 Center:				
Supplies and services	565,491	-	-	565,491
Fire:				
Administration:				
Personal services	152,161	-	-	152,161
Supplies and services	72,078	-	-	72,078
Capital outlay	353	-	-	353
	<u>224,592</u>	-	-	<u>224,592</u>
Firefighting:				
Personal services	6,448,907	-	-	6,448,907
Supplies and services	141,041	-	-	141,041
	<u>6,589,948</u>	-	-	<u>6,589,948</u>
Training:				
Personal services	152,673	-	-	152,673
Supplies and services	30,300	-	-	30,300
Capital outlay	508	-	-	508
	<u>183,481</u>	-	-	<u>183,481</u>
Inspection:				
Personal services	175,467	-	-	175,467
Supplies and services	13,750	-	-	13,750
	<u>189,217</u>	-	-	<u>189,217</u>
Hazardous material:				
Personal services	7,688	-	-	7,688
Supplies and services	7,589	-	-	7,589
	<u>15,277</u>	-	-	<u>15,277</u>

Schedule 2

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Expenditures (continued):				
Community Protection Program:				
Disaster control:				
Civil Defense:				
Supplies and services	5,028	-	-	5,028
Levee maintenance:				
Supplies and services	15,141	-	-	15,141
	17,251,329	573,138	-	17,824,467
Human Development Program:				
Inspections and control:				
Personal services	302,011	-	-	302,011
Supplies and services	60,020	-	-	60,020
Capital outlay	3,406	-	-	3,406
	365,437	-	-	365,437
Immunization grant:				
Personal services	46,711	-	-	46,711
Supplies and services	3,500	-	-	3,500
Capital outlay	390	-	-	390
	50,601	-	-	50,601
Animal control:				
Personal services	288,130	-	-	288,130
Supplies and services	50,318	-	-	50,318
	338,448	-	-	338,448
AIDS prevention grant:				
Personal services	50,948	-	-	50,948
Supplies and services	1,292	-	-	1,292
	52,240	-	-	52,240
Library:				
Administration:				
Personal services	895,460	-	-	895,460
Supplies and services	391,729	-	-	391,729
	1,287,189	-	-	1,287,189

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Expenditures (continued):				
Human Development Program:				
Library:				
Pottawattamie County Library				
contract:				
Personal services	29,811	-	-	29,811
Supplies and services	29,127	-	-	29,127
Refunds	372	-	-	372
	<u>59,310</u>	-	-	<u>59,310</u>
Parks, recreation and public				
property:				
Administration:				
Personal services	240,503	-	-	240,503
Supplies and services	7,280	-	-	7,280
Capital outlay	995	-	-	995
	<u>248,778</u>	-	-	<u>248,778</u>
Landmarks:				
Supplies and services	<u>70,000</u>	-	-	<u>70,000</u>
Park maintenance:				
Personal services	876,121	-	-	876,121
Supplies and services	538,964	-	-	538,964
Capital outlay	14,722	-	-	14,722
Capital improvements	28,849	-	-	28,849
	<u>1,458,656</u>	-	-	<u>1,458,656</u>
Golf complex:				
Personal services	432,085	-	-	432,085
Supplies and services	259,891	-	-	259,891
Capital outlay	17,275	-	-	17,275
	<u>709,251</u>	-	-	<u>709,251</u>

Schedule 2

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Expenditures (continued):				
Human Development Program:				
Parks, recreation and public property:				
Recreation:				
Personal services	279,157	-	-	279,157
Supplies and services	97,679	-	-	97,679
Refunds	2,908	-	-	2,908
	<u>379,744</u>	-	-	<u>379,744</u>
Swimming pools:				
Personal services	155,437	-	-	155,437
Supplies and services	91,258	-	-	91,258
Capital outlay	4,706	-	-	4,706
	<u>251,401</u>	-	-	<u>251,401</u>
Gaming:				
Capital outlay	-	266,706	-	266,706
	<u>5,271,055</u>	<u>266,706</u>	-	<u>5,537,761</u>
Home and Community Environment Program:				
Cemetery:				
Supplies and services	48,539	-	-	48,539
Public works:				
Personal services	160,935	-	-	160,935
Supplies and services	440,997	-	-	440,997
Capital outlay	6,105	-	-	6,105
	<u>608,037</u>	-	-	<u>608,037</u>
Transportation:				
Supplies and services	717,819	-	-	717,819
Capital outlay	2,056	-	-	2,056
	<u>719,875</u>	-	-	<u>719,875</u>
Parking lot maintenance:				
Personal services	48,008	-	-	48,008
Supplies and services	21,372	-	-	21,372
	<u>69,380</u>	-	-	<u>69,380</u>

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	Insurance			Total
	General	Gaming	Levy	
Expenditures (continued):				
Home and Community Environment				
Program:				
Parking enforcement:				
Personal services	34,993	-	-	34,993
Supplies and services	7	-	-	7
	<u>35,000</u>	-	-	<u>35,000</u>
Gaming:				
Supplies and services	-	111,100	-	111,100
	<u>1,480,831</u>	<u>111,100</u>	-	<u>1,591,931</u>
Policy and Administration Program:				
Mayor:				
Personal services	143,898	-	-	143,898
Supplies and services	6,066	-	-	6,066
Capital outlay	759	-	-	759
	<u>150,723</u>	-	-	<u>150,723</u>
Council Members:				
Personal services	36,887	-	-	36,887
Supplies and services	43,692	-	-	43,692
	<u>80,579</u>	-	-	<u>80,579</u>
Clerk:				
Personal services	187,332	-	-	187,332
Supplies and services	28,725	-	-	28,725
Capital outlay	225	-	-	225
	<u>216,282</u>	-	-	<u>216,282</u>
Civil service:				
Supplies and services	10,388	-	-	10,388
	<u>10,388</u>	-	-	<u>10,388</u>
Personnel:				
Personal services	174,121	-	-	174,121
Supplies and services	25,051	-	-	25,051
	<u>199,172</u>	-	-	<u>199,172</u>
Human relations:				
Personal services	58,960	-	-	58,960
Supplies and services	1,303	-	-	1,303
	<u>60,263</u>	-	-	<u>60,263</u>

Schedule 2

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Expenditures (continued):				
Policy and Administration Program:				
Budget control and accounting:				
Personal services	338,609	-	-	338,609
Supplies and services	40,756	-	-	40,756
	<u>379,365</u>	<u>-</u>	<u>-</u>	<u>379,365</u>
Treasurer:				
Personal services	161,351	-	-	161,351
Supplies and services	3,318	-	-	3,318
	<u>164,669</u>	<u>-</u>	<u>-</u>	<u>164,669</u>
Purchasing:				
Personal services	106,368	-	-	106,368
Supplies and services	3,182	-	-	3,182
	<u>109,550</u>	<u>-</u>	<u>-</u>	<u>109,550</u>
Data processing:				
Personal services	52,462	-	-	52,462
Supplies and services	35,589	-	-	35,589
Capital outlay	1,418	-	-	1,418
	<u>89,469</u>	<u>-</u>	<u>-</u>	<u>89,469</u>
Legal department:				
Personal services	208,825	-	-	208,825
Supplies and services	31,741	-	-	31,741
	<u>240,566</u>	<u>-</u>	<u>-</u>	<u>240,566</u>
Planning and community development:				
Personal services	195,045	-	-	195,045
Supplies and services	10,110	-	-	10,110
	<u>205,155</u>	<u>-</u>	<u>-</u>	<u>205,155</u>
Insurance:				
Personal services	-	-	176,811	176,811
Professional services	-	-	10,391	10,391
Damage claims	-	-	25,440	25,440
Casualty	-	-	376,756	376,756
Tort liability	-	-	336,216	336,216

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Expenditures (continued):				
Policy and Administration Program:				
Insurance:				
Capital outlay	-	-	300	300
Miscellaneous	-	-	9,949	9,949
	-	-	935,863	935,863
Building maintenance:				
Personal services	245,034	-	-	245,034
Supplies and services	121,452	-	-	121,452
Capital outlay	3,028	-	-	3,028
	369,514	-	-	369,514
General:				
Supplies and services	848,768	-	-	848,768
Capital improvement	107,538	-	-	107,538
Refunds	55,172	-	-	55,172
	1,011,478	-	-	1,011,478
Building inspection:				
Personal services	423,603	-	-	423,603
Supplies and services	178,832	-	-	178,832
Capital outlay	1,677	-	-	1,677
	604,112	-	-	604,112
Gaming:				
Capital outlay	-	3,213	-	3,213
	-	3,213	-	3,213
	3,891,285	3,213	935,863	4,830,361
Total expenditures	27,894,500	954,157	935,863	29,784,520
Excess (deficiency) of revenues over (under) expenditures	(5,211,777)	3,525,622	(147,998)	(1,834,153)
Other financing sources (uses):				
Sale of land	5,448	3,175	-	8,623
Operating transfers in (out):				
General:				
General	-	(500,000)	-	(500,000)
Gaming	500,000	-	-	500,000
Special Revenue:				
Road Use Tax	7,655	-	-	7,655
HOME Program	-	(200,000)	-	(200,000)
City Insurance	1,679,866	-	-	1,679,866

Schedule 2

City of Council Bluffs

Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund

Year ended June 30, 2002

	General	Gaming	Insurance Levy	Total
Operating transfers in (out):				
Special Revenue:				
Employees' Retirement	771,879	-	-	771,879
Workers' Compensation	258,439	-	-	258,439
Unemployment Compensation	3,528	-	-	3,528
Fire and Police Retirement	1,646,728	-	-	1,646,728
Debt Service:				
General	(191,024)	-	-	(191,024)
Tax Increment Sinking	52,208	-	-	52,208
Tax Increment 1987 Project	43,225	-	-	43,225
Capital Projects:				
Sports Complex	-	(621,146)	-	(621,146)
Miscellaneous	900	(3,398,772)	-	(3,397,872)
Enterprise:				
Refuse and Disposal	-	(43,400)	-	(43,400)
Internal Service:				
Payroll Sinking	(54,864)	-	(536)	(55,400)
Transfer to component unit	(260,663)	-	-	(260,663)
Total transfers in (out)	4,457,877	(4,763,318)	(536)	(305,977)
Total other financing sources (uses)	4,463,325	(4,760,143)	(536)	(297,354)
Deficiency of revenues and other financing sources under expenditures and other financing uses	(748,452)	(1,234,521)	(148,534)	(2,131,507)
Fund balance beginning of year	1,131,222	3,742,091	1,847,122	6,720,435
Increase in reserve for:				
Inventories	25,655	-	-	25,655
Prepaid insurance	-	-	161,827	161,827
Fund balance end of year	\$ 408,425	2,507,570	1,860,415	4,776,410

See accompanying independent auditor's report.

City of Council Bluffs

City of Council Bluffs
Combining Balance Sheet
Special Revenue Funds

June 30, 2002

	Road Use Tax	CDBG Grant	HOME Program	CDBG Installment Loan Escrow
Assets				
Cash and pooled investments	\$ 1,194,266	-	-	18,402
Receivables:				
Property tax:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Installment loans	-	919,556	-	-
Assessments:				
Special	719	-	-	-
Drainage	-	-	-	-
Accounts	-	122,768	-	-
Due from other governments	401,969	188,917	129,510	-
Inventories	518,954	-	-	-
Total assets	\$ 2,115,908	1,231,241	129,510	18,402
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 149,045	52,600	-	1,606
Salaries and benefits payable	60,504	8,623	-	-
Due to other funds	-	214,685	56,100	-
Due to other governments	938	-	-	-
Deferred revenue:				
Succeeding year property tax	-	-	-	-
Other	719	97,060	56,990	-
Compensated absences	55,294	6,161	-	-
Total liabilities	266,500	379,129	113,090	1,606
Fund equity:				
Fund balances:				
Reserved for:				
Inventories	518,954	-	-	-
Encumbrances	430	215	-	-
Unreserved	1,330,024	851,897	16,420	16,796
Total fund equity	1,849,408	852,112	16,420	16,796
Total liabilities and fund equity	\$ 2,115,908	1,231,241	129,510	18,402

CEBA Grants	Forfeited Assets	City Local Option Sales Tax	City Insurance	Employees' Retirement	Workers' Compensation	Unemployment Compensation
3,333	40,966	2,703,931	267,503	49,287	56,521	34,603
-	-	-	37,720	20,687	11,361	-
-	-	-	2,427,000	900,000	425,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	236,750	-	-	-	-
-	-	-	-	-	-	-
3,333	40,966	2,940,681	2,732,223	969,974	492,882	34,603
-	1,499	499,193	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,427,000	900,000	425,000	-
-	-	-	5,642	8,650	5,642	-
-	-	-	-	-	-	-
-	1,499	499,193	2,432,642	908,650	430,642	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,333	39,467	2,441,488	299,581	61,324	62,240	34,603
3,333	39,467	2,441,488	299,581	61,324	62,240	34,603
3,333	40,966	2,940,681	2,732,223	969,974	492,882	34,603

City of Council Bluffs
Combining Balance Sheet
Special Revenue Funds

June 30, 2002

	Fire and Police Retire- ment	Southwest Iowa Task Force	Drainage Districts	
			Mosquito Creek #22	Sieck #32
Assets				
Cash and pooled investments	297,154	-	224,087	78,605
Receivables:				
Property tax:				
Delinquent	41,749	-	-	-
Succeeding year	1,800,000	-	-	-
Installment loans	-	-	-	-
Assessments:				
Special	-	-	-	-
Drainage	-	-	167	-
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
Total assets	2,138,903	-	224,254	78,605
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	-	-	-	-
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue:				
Succeeding year property tax	1,800,000	-	-	-
Other	17,677	-	-	-
Compensated absences	-	-	-	-
Total liabilities	1,817,677	-	-	-
Fund equity:				
Fund balances:				
Reserved for:				
Inventories	-	-	-	-
Encumbrances	-	-	-	-
Unreserved	321,226	-	224,254	78,605
Total fund equity	321,226	-	224,254	78,605
Total liabilities and fund equity	2,138,903	-	224,254	78,605

See accompanying independent auditor's report.

West Lewis #35	Lake Manawa SSMID	East Broadway Tax Increment Financing	Madison Rue 1998 Urban Renewal	INRIP	Bennett Avenue TIF	Featherstone TIF	Total
102,617	56,246	1,303	309	226,947	2,917	-	5,358,997
-	-	-	-	-	-	-	111,517
-	-	52,000	77,000	64,000	217,000	61,000	6,023,000
-	-	-	-	-	-	-	919,556
-	-	-	-	-	-	-	719
1,345	-	-	-	-	-	-	1,512
-	-	685	-	-	-	-	123,453
-	-	-	-	-	-	-	957,146
-	-	-	-	-	-	-	518,954
103,962	56,246	53,988	77,309	290,947	308,543,551	61,000	14,014,854
109	1,462	-	-	-	-	-	705,514
-	-	-	-	-	-	-	69,127
-	-	-	-	-	-	-	270,785
-	-	-	-	-	-	-	938
-	-	52,000	77,000	64,000	217,000	61,000	6,023,000
-	-	-	-	-	-	-	192,380
-	-	-	-	-	-	-	61,455
109	1,462	52,000	77,000	64,000	217,000	61,000	7,323,199
-	-	-	-	-	-	-	518,954
-	-	-	-	-	-	-	645
103,853	54,784	1,988	309	226,947	2,917	-	6,172,056
103,853	54,784	1,988	309	226,947	2,917	-	6,691,655
103,962	56,246	53,988	77,309	290,947	219,917	61,000	14,014,854

City of Council Bluffs

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Special Revenue Funds

Year ended June 30, 2002

	Road Use Tax	CDBG Grant	HOME Program	CDBG Installment Loan Escrow
Revenues:				
Property tax	\$ -	-	-	-
Tax increment financing	-	-	-	-
Other City tax:				
Local option sales tax	-	-	-	-
Utility tax replacement excise tax	-	-	-	-
Licenses and permits	2,135	-	-	-
Use of money and property:				
Interest on investments	-	-	-	-
Miscellaneous city fees	5,889	-	-	-
	5,889	-	-	-
Intergovernmental:				
Road use tax allocation	4,716,891	-	-	-
Disaster assistance	10,370	-	-	-
Community development block grants/entitlement grants	-	1,429,249	-	-
Community development block grants/economic development initiative grant	-	190,207	-	-
Emergency shelter grants program	-	125,990	-	-
State road maintenance	1,353	-	-	-
Home investment partnership program	-	-	280,990	-
Miscellaneous	-	-	65,530	-
	4,728,614	1,745,446	346,520	-
Charges for service:				
Copy fees	-	18	-	-
Special assessments	578	-	-	-

CEBA Grants	Forfeited Assets	City Local Option Sales Tax	City Insurance	Employees' Retirement	Workers' Compensation	Unemployment Compensation
-	-	-	1,540,547	722,447	316,897	8,869
-	-	-	-	-	-	-
-	-	2,333,905	-	-	-	-
-	-	-	151,182	71,146	31,124	889
-	-	2,333,905	151,182	71,146	31,124	889
-	-	-	-	-	-	-
-	-	59,402	-	-	-	-
-	-	-	-	-	-	-
-	-	59,402	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	4,726	-	-	-	-
-	-	4,726	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

City of Council Bluffs

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Special Revenue Funds

Year ended June 30, 2002

	Fire and Police Retire- ment	Southwest Iowa Task Force	Drainage Districts	
			Mosquito Creek #22	Sieck #32
Revenues:				
Property tax	1,533,569	-	-	-
Tax increment financing	-	-	-	-
Other City tax:				
Local option sales tax	-	-	-	-
Utility tax replacement excise tax	151,182	-	-	-
	151,182	-	-	-
Licenses and permits	-	-	-	-
Use of money and property:				
Interest on investments	-	-	-	-
Miscellaneous city fees	-	-	-	-
	-	-	-	-
Intergovernmental:				
Road use tax allocation	-	-	-	-
Disaster assistance	-	-	13,636	-
Community development block grants/entitlement grants	-	-	-	-
Community development block grants/economic development initiative grant	-	-	-	-
Emergency shelter grants program	-	-	-	-
State road maintenance	-	-	-	-
Home investment partnership program	-	-	-	-
Miscellaneous	-	-	-	-
	-	-	13,636	-
Charges for service:				
Copy fees	-	-	-	-
Special assessments	-	-	-	-

West Lewis #35	Lake Manawa SSMID	East Broadway Tax Increment Financing	Madison Rue 1998 Urban Renewal	INRIP	Bennett Avenue TIF	Featherstone TIF	Total
-	-	-	-	-	-	-	4,122,329
-	-	45,563	80,964	62,345	210,352	24,934	424,158
-	-	-	-	-	-	-	2,333,905
-	-	-	-	-	-	-	405,523
-	-	-	-	-	-	-	2,739,428
-	-	-	-	-	-	-	2,135
-	-	-	-	-	-	-	59,402
-	-	-	-	-	-	-	5,889
-	-	-	-	-	-	-	65,291
-	-	-	-	-	-	-	4,716,891
-	-	-	-	-	-	-	24,006
-	-	-	-	-	-	-	1,429,249
-	-	-	-	-	-	-	190,207
-	-	-	-	-	-	-	125,990
-	-	-	-	-	-	-	1,353
-	-	-	-	-	-	-	280,990
-	-	-	-	-	-	-	70,256
-	-	-	-	-	-	-	6,838,942
-	-	-	-	-	-	-	18
-	-	-	-	-	-	-	578

City of Council Bluffs

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Special Revenue Funds

Year ended June 30, 2002

	Road Use Tax	CDBG Grant	HOME Program	CDBG Installment Loan Escrow
Revenues (continued):				
Miscellaneous:				
Drainage assessments	-	-	-	-
Sale of salvage	469	-	-	-
Loan repayments	-	136,243	-	-
Reimbursements	31,396	-	-	-
Refunds	42,006	222,009	-	14
Insurance settlements	8,725	-	-	-
Escrow payments	-	-	-	79,554
Sales tax refunds	-	-	-	-
Nongovernmental grants	-	500,068	-	-
Indemnities	-	-	-	-
	<u>82,596</u>	<u>858,320</u>	<u>-</u>	<u>79,568</u>
Total revenues	<u>4,819,812</u>	<u>2,603,784</u>	<u>346,520</u>	<u>79,568</u>
Expenditures:				
Community Protection Program:				
Personal services	384,873	-	-	-
Supplies and services	821,739	-	-	-
Capital outlay	-	-	-	-
	<u>1,206,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
Home and Community Environment Program:				
Personal services	2,518,819	370,951	-	-
Supplies and services	993,063	78,975	-	50,782
Casualty insurance	-	-	-	29,239
Capital outlay	331,350	14,322	-	-
Capital improvements	56,698	1,401,873	360,200	-
Incremental tax rebates	-	-	-	-
	<u>3,899,930</u>	<u>1,866,121</u>	<u>360,200</u>	<u>80,021</u>
Total expenditures	<u>5,106,542</u>	<u>1,866,121</u>	<u>360,200</u>	<u>80,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(286,730)</u>	<u>737,663</u>	<u>(13,680)</u>	<u>(453)</u>

CEBA Grants	Forfeited Assets	City Local Option Sales Tax	City Insurance	Employees' Retirement	Workers' Compensation	Unemployment Compensation
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	592,265	-	-	-	-
-	-	-	-	121	-	-
-	-	-	-	-	-	-
-	-	48,096	-	-	-	-
-	-	-	-	-	-	-
-	99,953	-	-	-	-	-
-	99,953	640,361	-	121	-	-
-	99,953	3,038,394	1,691,729	793,714	348,021	9,758
-	-	-	-	-	-	-
-	14,656	-	-	-	-	-
-	46,758	-	-	-	-	-
-	61,414	-	-	-	-	-
-	-	-	-	-	-	-
-	-	484,193	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,312,866	-	-	-	-
-	-	-	-	-	-	-
-	-	3,797,059	-	-	-	-
-	61,414	3,797,059	-	-	-	-
-	38,539	(758,665)	1,691,729	793,714	348,021	9,758

City of Council Bluffs

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Special Revenue Funds

Year ended June 30, 2002

	Fire and Police Retire- ment	Southwest Iowa Task Force	Drainage Districts	
			Mosquito Creek #22	Sieck #32
Revenues (continued):				
Miscellaneous:				
Drainage assessments	-	-	30,782	-
Sale of salvage	-	-	-	-
Loan repayments	-	-	-	-
Reimbursements	-	-	-	-
Refunds	-	-	-	-
Insurance settlements	-	-	-	-
Escrow payments	-	-	-	-
Sales tax refunds	-	-	-	-
Nongovernmental grants	-	-	-	-
Indemnities	-	-	-	-
	-	-	30,782	-
Total revenues	1,684,751	-	44,418	-
Expenditures:				
Community Protection Program:				
Personal services	-	-	-	-
Supplies and services	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Home and Community Environment Program:				
Personal services	-	-	-	-
Supplies and services	-	-	9,395	11,616
Casualty insurance	-	-	-	-
Capital outlay	-	-	-	-
Capital improvements	-	-	-	-
Incremental tax rebates	-	-	-	-
	-	-	9,395	11,616
Total expenditures	-	-	9,395	11,616
Excess (deficiency) of revenues over (under) expenditures	1,684,751	-	35,023	(11,616)

West Lewis #35	Lake Manawa SSMID	East Broadway Tax Increment Financing	Madison Rue 1998 Urban Renewal	INRIP	Bennett Avenue TIF	Featherstone TIF	Total
42,496	-	-	-	-	-	-	73,278
-	-	-	-	-	-	-	469
-	-	-	-	14,507	-	-	150,750
-	-	-	-	-	-	-	623,661
-	-	-	-	-	-	-	264,150
-	-	-	-	-	-	-	8,725
-	-	-	-	-	-	-	79,554
-	-	-	-	-	-	-	48,096
-	-	-	-	-	-	-	500,068
-	-	-	-	-	-	-	99,953
42,496	-	-	-	14,507	-	-	1,848,704
42,496	-	45,563	80,964	76,852	210,352	24,934	16,041,583
-	-	-	-	-	-	-	384,873
-	-	-	-	-	-	-	836,395
-	-	-	-	-	-	-	46,758
-	-	-	-	-	-	-	1,268,026
-	-	-	-	-	-	-	2,889,770
20,227	9,515	-	-	-	-	-	1,657,766
-	-	-	-	-	-	-	29,239
-	-	-	-	-	-	-	345,672
-	-	-	-	-	-	-	5,131,637
-	-	45,314	80,655	-	209,120	50,805	385,894
20,227	9,515	45,314	80,655	-	209,120	50,805	10,439,978
20,227	9,515	45,314	80,655	-	209,120	50,805	11,708,004
22,269	(9,515)	249	309	76,852	1,232	(25,871)	4,333,579

City of Council Bluffs

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Special Revenue Funds

Year ended June 30, 2002

	Road Use Tax	CDBG Grant	HOME Program	CDBG Installment Loan Escrow
Other financing sources (uses):				
Operating transfers in (out):				
General:				
General	(7,655)	-	-	-
Gaming	-	-	200,000	-
Special Revenue:				
Road Use Tax	-	-	-	-
City Insurance	(770)	-	-	-
Employees' Retirement	288,377	-	-	-
Workers' Compensation	90,768	-	-	-
Capital Projects:				
97-1 Capital Loan Note	-	-	-	-
Miscellaneous	(366,936)	(808,189)	-	-
Enterprise:				
Refuse and Disposal	-	-	-	-
Internal Service:				
Payroll Sinking	(8,009)	(1,063)	-	-
Total other financing sources (uses)	<u>(4,225)</u>	<u>(809,252)</u>	<u>200,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(290,955)	(71,589)	186,320	(453)
Fund balances beginning of year, as restated (note 17)	2,185,852	923,701	(169,900)	17,249
Decrease in reserve for inventories	<u>(45,489)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances end of year	<u>1,849,408</u>	<u>852,112</u>	<u>16,420</u>	<u>16,796</u>

See accompanying independent auditor's report.

CEBA Grants	Forfeited Assets	City Local Option Sales Tax	City Insurance	Employees' Retire- ment	Workers' Compen- sation	Unemploy- ment Compen- sation
-	-	-	(1,679,866)	(771,879)	(258,439)	(3,528)
-	-	-	-	-	-	-
-	-	-	770	(288,377)	(90,768)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(11,967)	-	-	-	-
-	-	-	-	-	-	-
-	(4,426)	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,426)	(11,967)	(1,679,096)	(1,060,256)	(349,207)	(3,528)
-	34,113	(770,632)	12,633	(266,542)	(1,186)	6,230
3,333	5,354	3,212,120	286,948	327,866	63,426	28,373
-	-	-	-	-	-	-
3,333	39,467	2,441,488	299,581	61,324	62,240	34,603

City of Council Bluffs

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

Special Revenue Funds

Year ended June 30, 2002

	<u>Drainage Districts</u>			
	Fire and Police Retire- ment	Southwest Iowa Task Force	Mosquito Creek #22	Sieck #32
Other financing sources (uses):				
Operating transfers in (out):				
General:				
General	(1,646,728)	-	-	-
Gaming	-	-	-	-
Special Revenue:				
Road Use Tax	-	-	-	-
City Insurance	-	-	-	-
Employees' Retirement	-	-	-	-
Workers' Compensation	-	-	-	-
Capital Projects:				
97-1 Capital Loan Note	-	-	-	-
Miscellaneous	-	-	-	-
Enterprise:				
Refuse and Disposal	-	(2,573)	-	-
Internal Service:				
Payroll Sinking	-	-	-	-
Total other financing sources (uses)	<u>(1,646,728)</u>	<u>(2,573)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	38,023	(2,573)	35,023	(11,616)
Fund balances beginning of year, as restated (note 17)	283,203	2,573	189,231	90,221
Inventories	-	-	-	-
Fund balances end of year	<u>321,226</u>	<u>-</u>	<u>224,254</u>	<u>78,605</u>

See accompanying independent auditor's report.

West Lewis #35	Lake Manawa SSMID	East Broadway Tax Increment Financing	Madison Rue 1998 Urban Renewal	INRIP	Bennett Avenue TIF	Featherstone TIF	Total
-	-	-	-	-	-	-	(4,368,095)
-	-	-	-	-	-	-	200,000
-	-	-	-	-	-	-	(378,375)
-	-	-	-	-	-	-	(770)
-	-	-	-	-	-	-	288,377
-	-	-	-	-	-	-	90,768
-	-	-	-	-	-	-	(11,967)
-	-	-	-	-	-	-	(1,175,125)
-	-	-	-	-	-	-	(6,999)
-	-	-	-	-	-	-	(9,072)
-	-	-	-	-	-	-	(5,371,258)
22,269	(9,515)	249	309	76,852	1,232	(25,871)	(1,037,679)
81,584	64,299	1,739	-	150,095	1,685	25,871	7,774,823
-	-	-	-	-	-	-	(45,489)
103,853	54,784	1,988	309	226,947	2,917	-	6,691,655

City of Council Bluffs

Balance Sheet

Debt Service Funds

June 30, 2002

	<u>General</u>	<u>Lake Manawa Power Center TIF</u>	<u>Mosquito Creek Outfall</u>
Assets			
Cash and pooled investments	\$ 1,523,702	2,232,004	965
Receivables:			
Property tax:			
Delinquent	119,455	-	-
Succeeding year	5,777,000	-	-
Tax increment financing	399	-	-
Accrued interest	1,073	-	-
Accounts	-	115,547	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 7,421,629	2,347,551	965
Liabilities and Fund Equity			
Liabilities:			
Accounts payable	\$ 1,344	-	-
Deferred revenue:			
Succeeding year property tax	5,777,000	-	-
Other	36,331	-	-
Total liabilities	<hr/> 5,814,675	<hr/> -	<hr/> -
Fund equity:			
Fund balances:			
Reserved for debt service	<hr/> 1,606,954	<hr/> 2,347,551	<hr/> 965
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity	\$ 7,421,629	2,347,551	965

See accompanying independent auditor's report.

<u>Tax Increment Sinking</u>	<u>Tax Increment 1987 Project</u>	<u>Midlands Settlement</u>	<u>Total</u>
267,933	289,162	64,768	4,378,534
-	-	-	119,455
152,000	330,000	-	6,259,000
-	-	-	399
-	-	-	1,073
-	2,891	-	118,438
<u>419,933</u>	<u>622,053</u>	<u>64,768</u>	<u>10,876,899</u>
-	-	690	2,034
152,000	330,000	-	6,259,000
-	-	-	36,331
<u>152,000</u>	<u>330,000</u>	<u>690</u>	<u>6,297,365</u>
<u>267,933</u>	<u>292,053</u>	<u>64,078</u>	<u>4,579,534</u>
<u>419,933</u>	<u>622,053</u>	<u>64,768</u>	<u>10,876,899</u>

City of Council Bluffs

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Debt Service Funds

Year ended June 30, 2002

	General	Lake Manawa Power Center TIF	Mosquito Creek Outfall
Revenues:			
Property tax	\$4,681,083	-	-
Tax increment financing	220,764	1,177,882	-
Other city tax:			
Utility tax replacement excise tax	460,581	-	-
Use of money and property:			
Interest on investments	195,972	-	-
Charges for service:			
Impact fees	-	115,538	-
Miscellaneous:			
Accrued interest on notes sold	16,932	-	-
Payment in lieu of taxes	3,802	-	-
	20,734	-	-
Total revenues	5,579,134	1,293,420	-
Expenditures:			
Human Development Program:			
Principal redemption	107,577	-	-
Interest payments	83,447	-	-
Miscellaneous debt expenses	1,344	-	-
	192,368	-	-
Home and Community Environment Program:			
Supplies and services	-	-	-
Principal redemption	3,798,500	700,000	-
Interest payments	2,693,298	36,400	-
Miscellaneous debt expenses	7,725	300	-
	6,499,523	736,700	-
Total expenditures	6,691,891	736,700	-
Excess (deficiency) of revenues over (under) expenditures	(1,112,757)	556,720	-

Tax Increment Sinking	Tax Increment 1987 Project	Midlands Settlement	Total
-	-	-	4,681,083
127,165	128,056	-	1,653,867
-	-	-	460,581
-	-	-	195,972
-	-	-	115,538
-	-	-	16,932
-	-	-	3,802
-	-	-	20,734
127,165	128,056	-	7,127,775
-	-	-	107,577
-	-	-	83,447
-	-	-	1,344
-	-	-	192,368
-	-	584	584
155,000	-	-	4,653,500
6,774	-	-	2,736,472
-	-	-	8,025
161,774	-	584	7,398,581
161,774	-	584	7,590,949
(34,609)	128,056	(584)	(463,174)

City of Council Bluffs

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Debt Service Funds

Year ended June 30, 2002

	General	Lake Manawa Power Center TIF	Mosquito Creek Outfall
Other financing sources (uses):			
Sale of land	-	-	-
General obligation bond proceeds	987,722	-	-
Operating transfers in (out):			
General:			
General	191,024	-	-
Debt Service:			
General	-	-	-
Tax Increment Sinking	133,949	-	-
Tax Increment 1987 Project	329,786	-	-
Capital Projects:			
Miscellaneous	-	-	-
Total operating transfers in (out)	654,759	-	-
Total other financing sources (uses)	1,642,481	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	529,724	556,720	-
Fund balances beginning of year, as restated (note 17)	1,077,230	1,790,831	965
Fund balances end of year	\$1,606,954	2,347,551	965

See accompanying independent auditor's report.

Tax Increment Sinking	Tax Increment 1987 Project	Midlands Settlement	Total
-	54,084	-	54,084
-	-	-	987,722
(52,208)	(43,225)	-	95,591
(133,949)	(329,786)	-	(463,735)
-	-	-	133,949
-	-	-	329,786
-	(553,355)	-	(553,355)
(186,157)	(926,366)	-	(457,764)
(186,157)	(872,282)	-	584,042
(220,766)	(744,226)	(584)	120,868
488,699	1,036,279	64,662	4,458,666
267,933	292,053	64,078	4,579,534

City of Council Bluffs
Combining Balance Sheet
Capital Projects Funds
June 30, 2002

	General	Railroad Crossing Improvement	Sports Complex	96-A Capital Loan Note	97-1 Capital Loan Note
Assets					
Cash and pooled investments	\$ 2,804	135,829	-	117,391	861
Receivables:					
Special assessments	2,998	-	-	-	-
Accounts	-	-	-	-	-
Due from other governments	-	-	3,666	48,211	-
Total assets	\$ 5,802	135,829	3,666	165,602	861
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ -	-	166,722	-	861
Due to other funds	-	-	-	-	-
Deferred revenue	2,998	-	3,666	-	-
Total liabilities	2,998	-	170,388	-	861
Fund equity:					
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Unreserved	2,804	135,829	(166,722)	165,602	-
Total fund equity	2,804	135,829	(166,722)	165,602	-
Total liabilities and fund equity	\$ 5,802	135,829	3,666	165,602	861

See accompanying independent auditor's report.

Miscel- laneous	00-1 Capital Loan Note	00-2 Capital Loan Note	00-2 Capital Loan Note Deposit	01-1 Capital Loan Note	Total
28,002	-	1,370,865	3,990,190	2,793,180	8,439,122
-	-	-	-	-	2,998
381,480	56,389	-	156,172	-	594,041
357,612	657,721	571,990	49,314	718,792	2,407,306
767,094	714,110	1,942,855	4,195,676	3,511,972	11,443,467
1,026,439	103,171	197,029	181,912	673,915	2,350,049
-	199,569	-	-	-	199,569
300,000	273,402	499,619	156,172	89,704	1,325,561
1,326,439	576,142	696,648	338,084	763,619	3,875,179
1,500	-	-	-	-	1,500
(560,845)	137,968	1,246,207	3,857,592	2,748,353	7,566,788
(559,345)	137,968	1,246,207	3,857,592	2,748,353	7,568,288
767,094	714,110	1,942,855	4,195,676	3,511,972	11,443,467

City of Council Bluffs

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Funds

Year ended June 30, 2002

	General	Railroad Crossing Improvement	Sports Complex	96-A Capital Loan Note
Revenues:				
Intergovernmental:				
Disaster assistance	\$ -	-	-	-
Highway planning and construction	-	-	-	-
Resource enhancement and protection grant	-	-	-	-
Revitalize Iowa's Sound Economy state grant	-	-	-	-
State CADT grant	-	-	-	-
Miscellaneous	-	-	-	-
	-	-	-	-
Special assessments	2,301	-	-	-
Miscellaneous:				
Accrued interest on notes sold	-	-	-	-
Sales tax refund	-	-	14,829	-
Refunds and reimbursements	-	319	-	-
Donations	-	-	-	-
Nongovernmental grants	-	-	-	-
Miscellaneous	-	-	-	5,421
	-	319	14,829	5,421
Total revenues	2,301	319	14,829	5,421
Expenditures:				
Community Protection Program:				
Supplies and services	-	-	-	-
Capital outlay	-	-	-	-
Capital improvement	-	-	-	-
	-	-	-	-
Human Development Program:				
Supplies and services	-	-	60,491	-
Capital improvement	-	-	798,896	-
	-	-	859,387	-
Home and Community Environment Program:				
Supplies and services	-	-	-	-
Capital improvement	-	-	-	-
	-	-	-	-

97-1 Capital Loan Note	Miscel- laneous	00-1 Capital Loan Note	00-2 Capital Loan Note	00-2 Capital Loan Note Deposit	01-1 Capital Loan Note	Total
-	81,642	-	-	-	-	81,642
-	-	959,118	430,538	17,736	-	1,407,392
-	-	163,800	-	-	-	163,800
-	-	-	156,286	-	629,088	785,374
-	150,000	-	-	-	-	150,000
-	39,185	90,000	-	-	-	129,185
-	270,827	1,212,918	586,824	17,736	629,088	2,717,393
-	-	-	-	-	-	2,301
-	-	-	-	14,188	-	14,188
-	18,674	20,875	39,243	-	-	93,621
-	-	41,043	47,989	43,833	-	133,184
-	100,000	-	-	-	-	100,000
-	1,376,111	674,268	-	-	3,511,271	5,561,650
-	19,745	22,716	178,199	-	-	226,081
-	1,514,530	758,902	265,431	58,021	3,511,271	6,128,724
-	1,785,357	1,971,820	852,255	75,757	4,140,359	8,848,418
-	54,134	-	-	-	-	54,134
-	28,187	-	-	-	-	28,187
-	1,105,649	-	-	-	-	1,105,649
-	1,187,970	-	-	-	-	1,187,970
-	395,997	111,379	-	-	-	567,867
-	4,093,625	1,229,707	-	-	-	6,122,228
-	4,489,622	1,341,086	-	-	-	6,690,095
939	46,070	230,347	571,593	85,830	4,790,816	5,725,595
16,308	1,728,159	1,622,404	3,420,459	164,468	4,099,563	11,051,361
17,247	1,774,229	1,852,751	3,992,052	250,298	8,890,379	16,776,956

City of Council Bluffs

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Funds

Year ended June 30, 2002

	General	Railroad Crossing Improvement	Sports Complex	96-A Capital Loan Note
Expenditures (continued):				
Policy and Administration				
Program:				
Supplies and services	-	-	-	-
Total expenditures	-	-	859,387	-
Excess (deficiency) of revenue over (under) expenditures	2,301	319	(844,558)	5,421
Other financing sources (uses):				
Sale of land	-	-	-	-
General obligation capital loan note proceeds	-	-	-	-
Operating transfers in (out):				
General:				
General	-	-	-	-
Gaming	-	-	621,146	-
Special revenue:				
Road Use Tax	-	-	-	-
CDBG Grant	-	-	-	-
City Local Option Sales Tax	-	-	-	-
Debt Service:				
Tax Increment 1987 Project	-	-	-	-
Capital Projects:				
Sports Complex	-	-	-	-
Miscellaneous	-	-	-	-
00-1 Capital Loan Note	-	-	56,690	-
00-2 Capital Loan Note	-	-	-	-
Enterprise:				
Sewer	-	-	-	-
Total operating transfers in (out)	-	-	677,836	-
Total other financing sources (uses)	-	-	677,836	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,301	319	(166,722)	5,421
Fund balances beginning of year	503	135,510	-	160,181
Fund balances end of year	\$ 2,804	135,829	(166,722)	165,602

See accompanying independent auditor's report.

97-1 Capital Loan Note	Miscel- laneous	00-1 Capital Loan Note	00-2 Capital Loan Note	00-2 Capital Loan Note Deposit	01-1 Capital Loan Note	Total
-	190	-	-	26,867	-	27,057
17,247	7,452,011	3,193,837	3,992,052	277,165	8,890,379	24,682,078
(17,247)	(5,666,654)	(1,222,017)	(3,139,797)	(201,408)	(4,750,020)	(15,833,660)
-	5,000	-	-	-	-	5,000
-	-	-	-	4,059,000	7,413,221	11,472,221
-	(900)	-	-	-	-	(900)
-	3,398,772	-	-	-	-	4,019,918
-	366,936	-	-	-	-	366,936
-	808,189	-	-	-	-	808,189
11,967	-	-	-	-	-	11,967
-	553,355	-	-	-	-	553,355
-	-	(56,690)	-	-	-	(56,690)
-	-	-	(60,458)	-	-	(60,458)
-	-	-	-	-	-	56,690
-	60,458	-	-	-	-	60,458
7,978	(34,333)	-	-	-	-	(26,355)
19,945	5,152,477	(56,690)	(60,458)	-	-	5,733,110
19,945	5,157,477	(56,690)	(60,458)	4,059,000	7,413,221	17,210,331
2,698	(509,177)	(1,278,707)	(3,200,255)	3,857,592	2,663,201	1,376,671
(2,698)	(50,168)	1,416,675	4,446,462	-	85,152	6,191,617
-	(559,345)	137,968	1,246,207	3,857,592	2,748,353	7,568,288

Schedule 9

City of Council Bluffs
Combining Balance Sheet

Enterprise Funds

June 30, 2002

	Sewer	Refuse and Disposal	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 4,587,463	449,003	5,036,466
Receivables:			
Customer accounts and unbilled usage	823,337	362,927	1,186,264
Due from other governments	360,993	17,206	378,199
Inventories	36,218	23,606	59,824
Total current assets	<u>5,808,011</u>	<u>852,742</u>	<u>6,660,753</u>
Property, plant and equipment:			
Land	207,307	360,622	567,929
Construction in progress	3,341,932	-	3,341,932
Land improvements	257,365	591,588	848,953
Buildings and structures	17,006,927	2,627,307	19,634,234
Sewer system infrastructure	55,868,634	-	55,868,634
Machinery and equipment	7,425,223	1,195,067	8,620,290
Vehicles	583,790	49,773	633,563
	<u>84,691,178</u>	<u>4,824,357</u>	<u>89,515,535</u>
Less: Accumulated depreciation	<u>(29,577,537)</u>	<u>(1,343,578)</u>	<u>(30,921,115)</u>
Net property, plant and equipment	55,113,641	3,480,779	58,594,420
Bond/note issuance costs	41,587	-	41,587
Total assets	<u><u>\$ 60,963,239</u></u>	<u><u>4,333,521</u></u>	<u><u>65,296,760</u></u>
Liabilities and Fund Equity			
Current liabilities:			
Accounts payable	\$ 1,057,493	282,141	1,339,634
Salaries and benefits payable	48,068	10,178	58,246
Due to other governments	7,873	323	8,196
Deferred revenue	-	590	590
General obligation capital loan notes payable	505,552	-	505,552
Compensated absences	136,869	21,085	157,954
Total current liabilities	<u>1,755,855</u>	<u>314,317</u>	<u>2,070,172</u>
Non-current liabilities:			
General obligation capital loan notes payable (net of unamortized discounts)	<u>3,129,561</u>	<u>-</u>	<u>3,129,561</u>
Total liabilities	<u>4,885,416</u>	<u>314,317</u>	<u>5,199,733</u>
Fund equity:			
Contributed capital	41,587	-	41,587
Unreserved retained earnings	56,036,236	4,019,204	60,055,440
	<u>56,077,823</u>	<u>4,019,204</u>	<u>60,097,027</u>
Total liabilities and fund equity	<u><u>\$ 60,963,239</u></u>	<u><u>4,333,521</u></u>	<u><u>65,296,760</u></u>

See accompanying independent auditor's report.

City of Council Bluffs

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Enterprise Funds

Year ended June 30, 2002

	Sewer	Refuse and Disposal	Total
Operating revenues:			
Use of money and property	\$ 7,920	-	7,920
Charges for service	4,676,874	2,145,851	6,822,725
Miscellaneous	454,087	856,477	1,310,564
Total operating revenues	<u>5,138,881</u>	<u>3,002,328</u>	<u>8,141,209</u>
Operating expenses:			
Home and Community Environment Program:			
Personal services	2,259,167	517,976	2,777,143
Supplies and services	1,512,724	2,164,034	3,676,758
Repair and maintenance	463,868	-	463,868
Capital outlay (non-capitalized)	-	30,746	30,746
Depreciation	1,531,152	158,790	1,689,942
Total operating expenses	<u>5,766,911</u>	<u>2,871,546</u>	<u>8,638,457</u>
Operating income (loss)	<u>(628,030)</u>	<u>130,782</u>	<u>(497,248)</u>
Non-operating revenues (expenses):			
Local option sales tax	<u>3,712,156</u>	-	<u>3,712,156</u>
Interest on investments	<u>89,043</u>	<u>20,898</u>	<u>109,941</u>
State and federal grants:			
Federal disaster assistance grant	43,590	-	43,590
State grants	-	37,585	37,585
	<u>43,590</u>	<u>37,585</u>	<u>81,175</u>
Interest expense	(223,309)	-	(223,309)
Miscellaneous debt expenses	(7,698)	-	(7,698)
	<u>(231,007)</u>	<u>-</u>	<u>(231,007)</u>
Gain on sale of property and equipment	286,218	-	286,218
Total non-operating revenues (expenses)	<u>3,900,000</u>	<u>58,483</u>	<u>3,958,483</u>
Net income before operating transfers	<u>3,271,970</u>	<u>189,265</u>	<u>3,461,235</u>

Schedule 10

City of Council Bluffs

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Enterprise Funds

Year ended June 30, 2002

	Sewer	Refuse and Disposal	Total
Operating transfers in (out):			
General:			
Gaming	-	43,400	43,400
Special Revenue:			
Forfeited Assets	-	4,426	4,426
Southwest Iowa Task Force	-	2,573	2,573
Capital Projects:			
97-1 Capital Loan Note	(7,978)	-	(7,978)
Miscellaneous	34,333	-	34,333
Internal Service:			
Payroll Sinking	(6,304)	(1,191)	(7,495)
Total operating transfers in (out)	20,051	49,208	69,259
Net income	3,292,021	238,473	3,530,494
Retained earnings beginning of year	52,744,215	3,780,731	56,524,946
Retained earnings end of year	\$ 56,036,236	4,019,204	60,055,440

See accompanying independent auditor's report.

City of Council Bluffs
Combining Statement of Cash Flows
Enterprise Funds
Year ended June 30, 2002

	Sewer	Refuse and Disposal	Total
Cash flows from operating activities:			
Operating income (loss)	\$ (628,030)	130,782	(497,248)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,531,152	158,790	1,689,942
(Increase) decrease in customer accounts receivable and unbilled usage	(7,074)	79,343	72,269
(Increase) in due from other governments	(37,744)	(17,206)	(54,950)
(Increase) in inventories	(3,429)	(1,917)	(5,346)
Increase in accounts payable	451,865	4,119	455,984
Increase in salaries and benefits payable	5,217	680	5,897
Increase (decrease) in due to other governments	(588)	30	(558)
(Decrease) increase in deferred revenues	-	(249)	(249)
Increase in compensated absences	11,364	1,147	12,511
Total adjustments	1,950,763	224,737	2,175,500
Net cash provided by operating activities	1,322,733	355,519	1,678,252
Cash flows from investing activities:			
Interest on investments	89,043	20,898	109,941
Cash flows from capital and related financing activities:			
Non-operating grants received	37,794	37,585	75,379
Non-operating shared revenues (local option sales tax)	3,624,214	-	3,624,214
Proceeds from sale of property and equipment	300,000	-	300,000
Purchase of capital assets	(5,828,057)	(950,334)	(6,778,391)
Principal paid on general obligation capital loan notes	(491,500)	-	(491,500)
Interest paid on general obligation capital loan notes	(223,309)	-	(223,309)
Net cash used for capital and related financing activities	(2,580,858)	(912,749)	(3,493,607)
Cash flows from non-capital financing activities:			
Operating transfers out	20,051	49,208	69,259
Net decrease in cash and cash equivalents	(1,149,031)	(487,124)	(1,636,155)
Cash and cash equivalents beginning of year	5,736,494	936,127	6,672,621
Cash and cash equivalents end of year	\$ 4,587,463	449,003	5,036,466

See accompanying independent auditor's report.

City of Council Bluffs
Combining Balance Sheet
Internal Service Funds
June 30, 2002

	Payroll Sinking	Graphic Art Revolving	Public Works Equipment Depreciation Revolving	Self Insurance
Assets				
Cash and pooled investments	\$139,243	-	114,869	1,117,150
Accounts receivable	-	10	-	4,268
Due from other funds	-	-	-	-
Inventories	-	16,089	-	-
Property and equipment:				
Machinery and equipment	-	22,339	-	-
Accumulated depreciation	-	(19,262)	-	-
Total assets	\$139,243	19,176	114,869	1,121,418
Liabilities and Fund Equity				
Current liabilities:				
Accounts payable	\$ -	2,289	-	497,731
Salaries and benefits payable	-	875	-	-
Due to other funds	-	1,612	-	-
Due to other governments	-	-	-	140,930
Compensated absences	-	1,951	-	-
Total liabilities	-	6,727	-	638,661
Fund equity:				
Unreserved retained earnings	139,243	12,449	114,869	482,757
Total liabilities and fund equity	\$139,243	19,176	114,869	1,121,418

See accompanying independent auditor's report.

Workers' Compensation Self Insurance	Park and Recreation Equipment Depreciation Revolving	411 Benefits (Active)	Miscel- laneous	Total
782,144	-	44,219	-	2,197,625
-	-	-	-	4,278
-	-	-	283	283
-	-	-	-	16,089
-	-	-	-	22,339
-	-	-	-	(19,262)
782,144	-	44,219	283	2,221,352
15,476	-	25,277	-	540,773
-	-	-	-	875
-	-	-	-	1,612
-	-	-	283	141,213
-	-	-	-	1,951
15,476	-	25,277	283	686,424
766,668	-	18,942	-	1,534,928
782,144	-	44,219	283	2,221,352

City of Council Bluffs

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Internal Service Funds

Year ended June 30, 2002

	Payroll Sinking	Graphic Art Revolving	Public Works Equipment Depreciation Revolving
Operating revenues:			
Charges for service:			
Reimbursements from operating funds	\$ -	56,098	300,000
Reimbursements from retired employees	-	-	-
Reimbursements from employees	-	-	-
	-	56,098	300,000
Miscellaneous	-	66,981	-
Total operating revenues	-	123,079	300,000
Operating expenses:			
Policy and Administration Program:			
Supplies and services	-	-	-
Non-program:			
Personal services	-	37,521	-
Plan contributions and service fees	-	-	-
Supplies and services	-	85,198	-
Capital outlay (non-capitalized)	-	-	250,871
Depreciation	-	18,765	-
	-	141,484	250,871
Total operating expenses	-	141,484	250,871
Operating income (loss)	-	(18,405)	49,129
Non-operating revenues (expenses):			
Interest on investments	-	-	-
Proceeds from demutualization of insurance provider	-	-	-
Gain on sale of property and equipment	-	56,220	-
Total non-operating revenues (expenses)	-	56,220	-
Net income (loss) before operating transfers	-	37,815	49,129

Self Insurance	Workers' Compensation Self Insurance	Park and Recreation Equipment Depreciation Revolving	411 Benefits (Active)	Miscellaneous	Total
2,282,456	191,016	-	200,000	-	3,029,570
196,240	-	-	-	-	196,240
133,083	-	-	-	-	133,083
2,611,779	191,016	-	200,000	-	3,358,893
141,262	52,451	-	3,402	6,383	270,479
2,753,041	243,467	-	203,402	6,383	3,629,372
508,263	96,368	-	-	-	604,631
-	-	-	-	-	37,521
3,291,300	181,353	-	181,641	-	3,654,294
-	-	598	-	6,383	92,179
-	-	-	-	-	250,871
-	-	-	-	-	18,765
3,291,300	181,353	598	181,641	6,383	4,053,630
3,799,563	277,721	598	181,641	6,383	4,658,261
(1,046,522)	(34,254)	(598)	21,761	-	(1,028,889)
45,361	22,222	-	-	-	67,583
101,513	-	-	-	-	101,513
-	-	-	-	-	56,220
146,874	22,222	-	-	-	225,316
(899,648)	(12,032)	(598)	21,761	-	(803,573)

City of Council Bluffs

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Internal Service Funds

Year ended June 30, 2002

	Payroll Sinking	Graphic Art Revolving	Public Works Equipment Depreciation Revolving
Operating transfers in (out):			
General	54,864	-	-
Insurance Levy	536	-	-
Special Revenue:			
Road Use Tax	8,009	-	-
CDBG Grant	1,063	-	-
Enterprise:			
Sewer	6,304	-	-
Refuse and Disposal	1,191	-	-
Internal Service:			
Workers' Compensation Self Insurance	-	-	-
411 Benefits (Active)	-	-	-
Payroll Sinking	-	(118)	-
Graphic Art Revolving	118	-	-
Trust and Agency:			
411 Benefits	-	-	-
Total operating transfers in (out)	<u>72,085</u>	<u>(118)</u>	<u>-</u>
Net income (loss)	72,085	37,697	49,129
Retained earnings, beginning of year	<u>67,158</u>	<u>(25,248)</u>	<u>65,740</u>
Retained earnings, end of year	<u>\$ 139,243</u>	<u>12,449</u>	<u>114,869</u>

See accompanying independent auditor's report.

Self Insurance	Workers' Compensation Self Insurance	Park and Recreation Equipment Depreciation Revolving	411 Benefits (Active)	Miscel- laneous	Total
-	-	-	-	-	54,864
-	-	-	-	-	536
-	-	-	-	-	8,009
-	-	-	-	-	1,063
-	-	-	-	-	6,304
-	-	-	-	-	1,191
-	-	-	150,000	-	150,000
-	(150,000)	-	-	-	(150,000)
-	-	-	-	-	(118)
-	-	-	-	-	118
-	-	-	70,000	-	70,000
-	(150,000)	-	220,000	-	141,967
(899,648)	(162,032)	(598)	241,761	-	(661,606)
1,382,405	928,700	598	(222,819)	-	2,196,534
482,757	766,668	-	18,942	-	1,534,928

City of Council Bluffs
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2002

	Payroll Sinking	Graphic Art Revolving	Public Works Equipment Depreciation Revolving
Cash flows from operating activities:			
Operating income (loss)	\$ -	(18,405)	49,129
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	-	18,765	-
(Increase) decrease in accounts receivable	-	(11)	-
Decrease in due from other governments	-	24	-
Decrease in due from other funds	-	-	-
(Increase) in inventories	-	(4,389)	-
Decrease in prepaid insurance	-	-	-
Increase (decrease) in accounts payable	-	(4,379)	-
Increase in salaries and benefits payable	-	128	-
(Decrease) in due to other governments	-	-	-
(Decrease) in due to other funds	-	-	-
(Decrease) in compensated absences	-	(962)	-
Total adjustments	-	9,176	-
Net cash provided by (used for) operating activities	-	(9,229)	49,129
Cash flows from investing activities:			
Interest on investments	-	-	-
Proceeds from demutualization of insurance provider	-	-	-
Cash flows from non-capital financing activities:			
Operating transfers in (out)	72,085	(118)	-
Net increase (decrease) in cash and cash equivalents	72,085	(9,347)	49,129
Cash and cash equivalents beginning of year	67,158	7,735	65,740
Cash and cash equivalents end of year	\$ 139,243	(1,612)	114,869

See accompanying independent auditor's report.

Self Insurance	Workers' Compensation Self Insurance	Park and Recreation Equipment Depreciation Revolving	411 Benefits (Active)	Miscellaneous	Total
(1,046,522)	(34,254)	(598)	21,761	-	(1,028,889)
-	-	-	-	-	18,765
620	-	-	-	-	609
-	-	-	-	-	24
-	-	-	-	79	79
-	-	-	-	-	(4,389)
-	70,169	-	-	-	70,169
130,893	7,557	-	4,101	-	138,172
-	-	-	-	-	128
-	-	-	-	(79)	(79)
-	-	-	(201,643)	-	(201,643)
-	-	-	-	-	(962)
131,513	77,726	-	(197,542)	-	20,873
(915,009)	43,472	(598)	(175,781)	-	(1,008,016)
45,361	22,222	-	-	-	67,583
101,513	-	-	-	-	101,513
146,874	22,222	-	-	-	169,096
-	(150,000)	-	220,000	-	141,967
(768,135)	(84,306)	(598)	44,219	-	(696,953)
1,885,285	866,450	598	-	-	2,892,966
1,117,150	782,144	-	44,219	-	2,196,013

City of Council Bluffs

City of Council Bluffs
Trust and Agency Funds
Combining Balance Sheet
June 30, 2002

	Non- Expendable Trust Fund	Expendable Trust Funds	Pension Trust Funds	Agency Funds	Total
Assets					
Cash and pooled investments	\$ 59,105	2,979,773	114,736	-	3,153,614
Receivables:					
Property tax:					
Delinquent	-	-	1,452	-	1,452
Succeeding year	-	-	110,000	-	110,000
Accounts	-	132,146	59	-	132,205
Due from other governments	-	21,430	-	38,824	60,254
Total assets	\$ 59,105	3,133,349	226,247	38,824	3,457,525
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$ -	111,203	25,277	-	136,480
Salaries and benefits payable	-	721	-	13,755	14,476
Trusts payable	-	-	-	6,245	6,245
Due to other funds	-	-	-	18,824	18,824
Due to other governments	-	113	-	-	113
Deferred revenues:					
Succeeding year property tax	-	-	110,000	-	110,000
Total liabilities	-	112,037	135,277	38,824	286,138
Fund equity:					
Fund balance:					
Reserved for employees pension benefits	-	-	90,970	-	90,970
Unreserved	59,105	3,021,312	-	-	3,080,417
Total fund equity	59,105	3,021,312	90,970	-	3,171,387
Total liabilities and fund equity	\$ 59,105	3,133,349	226,247	38,824	3,457,525

See accompanying independent auditor's report.

City of Council Bluffs
Combining Balance Sheet
All Expendable Trust Funds
June 30, 2002

		U.S. Savings Bond	Library Building	Animal Control	Friends of the Public Library
Assets					
Cash and pooled investments	\$	656	26,250	17,234	17,608
Accounts receivable		254	-	-	-
Due from other governments		-	-	-	-
Total assets	\$	910	26,250	17,234	17,608
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	\$	-	-	-	-
Salaries and benefits payable		-	-	-	-
Due to other governments		-	-	-	-
Total liabilities		-	-	-	-
Fund equity:					
Unreserved fund balance		910	26,250	17,234	17,608
Total liabilities and fund equity	\$	910	26,250	17,234	17,608

See accompanying independent auditor's report.

Library Grants	Library Memorials and Gifts	Public Library Foundation	Dodge Soldiers' Investment	4th Street Parking Garage Investment	Miscellaneous	Total
1,453	187,421	1,306,739	110,476	199,380	1,112,556	2,979,773
6,250	-	-	-	-	125,642	132,146
-	-	-	-	-	21,430	21,430
7,703	187,421	1,306,739	110,476	199,380	1,259,628	3,133,349
11,245	2,902	-	-	-	97,056	111,203
721	-	-	-	-	-	721
113	-	-	-	-	-	113
12,079	2,902	-	-	-	97,056	112,037
(4,376)	184,519	1,306,739	110,476	199,380	1,162,572	3,021,312
7,703	187,421	1,306,739	110,476	199,380	1,259,628	3,133,349

City of Council Bluffs

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Expendable Trust Funds

Year ended June 30, 2002

	U.S. Savings Bond	Library Building	Animal Control	Friends of the Public Library
Revenues:				
Use of money and property:				
Increase (decrease) in fair value of investments	\$ -	-	-	-
Interest on investments	-	1,127	-	214
	-	1,127	-	214
Intergovernmental:				
State grants	-	-	-	-
Charges for service:				
Park and recreation fees	-	-	-	-
Pro shop sales	-	-	-	-
	-	-	-	-
Miscellaneous:				
Payroll deductions	11,954	-	-	-
Contributions	-	-	-	10,509
Refunds and donations	-	-	-	-
Nongovernmental grants	-	-	-	-
	11,954	-	-	10,509
Total revenues	11,954	1,127	-	10,723
Expenditures:				
Human Development Program:				
Personal services	-	-	-	-
Supplies and services	-	7,501	-	-
Capital outlay	-	14,488	996	-
Capital improvements	-	-	7,900	-
	-	21,989	8,896	-
Policy and Administration Program:				
Supplies and services	-	-	-	-
Park improvements	-	-	-	-
Savings bonds	11,675	-	-	-
Refunds	-	-	-	-
	11,675	-	-	-

Library Grants	Library Memorials and Gifts	Public Library Foundation	Dodge Soldiers' Investment	4th Street Parking Garage Investment	Miscellaneous	Total
-	-	(108,225)	-	19,758	-	(88,467)
-	4,386	46,243	2,598	-	-	54,568
-	4,386	(61,982)	2,598	19,758	-	(33,899)
-	-	-	-	-	182,156	182,156
-	-	-	-	-	3,370	3,370
-	-	-	-	-	75,681	75,681
-	-	-	-	-	79,051	79,051
-	-	-	-	-	-	11,954
-	-	606,996	-	-	-	617,505
-	181,323	-	-	-	1,695,781	1,877,104
55,583	-	-	-	-	-	55,583
55,583	181,323	606,996	-	-	1,695,781	2,562,146
55,583	185,709	545,014	2,598	19,758	1,956,988	2,789,454
34,995	-	-	-	-	-	34,995
17,848	169,207	-	-	-	-	194,556
-	8,619	-	-	-	-	24,103
-	-	-	-	-	-	7,900
52,843	177,826	-	-	-	-	261,554
-	-	-	-	-	613,897	613,897
-	-	-	-	-	108,270	108,270
-	-	-	-	-	-	11,675
-	-	-	-	-	75,731	75,731
-	-	-	-	-	797,898	809,573

City of Council Bluffs

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

All Expendable Trust Funds

Year ended June 30, 2002

	U.S. Savings Bond	Library Building	Animal Control	Friends of the Public Library
Expenditures (continued):				
Non-program:				
Supplies and services	-	-	-	9,965
Capital improvements	-	-	-	-
Total expenditures	11,675	21,989	8,896	9,965
Excess (deficiency) of revenues over (under) expenditures	279	(20,862)	(8,896)	758
Fund balances beginning of year	631	47,112	26,130	16,850
Fund balances end of year	\$ 910	26,250	17,234	17,608

See accompanying independent auditor's report.

Library Grants	Library Memorials and Gifts	Public Library Foundation	Dodge Soldiers' Investment	4th Street Parking Garage Investment	Miscellaneous	Total
-	-	12,387	-	-	-	22,352
-	-	703,578	-	-	-	703,578
-	-	715,965	-	-	-	725,930
52,843	177,826	715,965	-	-	797,898	1,797,057
2,740	7,883	(170,951)	2,598	19,758	1,159,090	992,397
(7,116)	176,636	1,477,690	107,878	179,622	3,482	2,028,915
(4,376)	184,519	1,306,739	110,476	199,380	1,162,572	3,021,312

Schedule 18

City of Council Bluffs
Combining Balance Sheet
All Pension Trust Funds
June 30, 2002

	<u>Firemen's Pension</u>	<u>411 Benefits</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 118	114,618	114,736
Property tax:			
Delinquent	135	1,317	1,452
Succeeding year	10,000	100,000	110,000
Accounts receivable	-	59	59
Total assets	<u>\$ 10,253</u>	<u>215,994</u>	<u>226,247</u>
Liabilities			
Liabilities:			
Accounts payable	\$ -	25,277	25,277
Deferred revenue:			
Succeeding year property tax	10,000	100,000	110,000
	<u>10,000</u>	<u>125,277</u>	<u>135,277</u>
Fund equity:			
Fund balance reserved for employees' pension benefits	253	90,717	90,970
Total liabilities and fund equity	<u>\$ 10,253</u>	<u>215,994</u>	<u>226,247</u>

See accompanying independent auditor's report.

City of Council Bluffs

Combining Statement of Revenues, Expenses and Changes in Fund Balances

All Pension Trust Funds

Year ended June 30, 2002

	Firemen's Pension	411 Benefits	Total
Operating revenues:			
Property tax	\$ 9,225	112,161	121,386
Other City tax:			
Utility tax replacement excise tax	910	11,115	12,025
Miscellaneous	-	8,667	8,667
Total operating revenues	<u>10,135</u>	<u>131,943</u>	<u>142,078</u>
Operating expenses:			
Community Protection Program:			
Personal services	10,036	-	10,036
Supplies and services	-	85,500	85,500
Total operating expenses	<u>10,036</u>	<u>85,500</u>	<u>95,536</u>
Excess of revenues over expenses	99	46,443	46,542
Other financing uses:			
Operating transfers out:			
Internal Service:			
411 Benefits (Active)	-	(70,000)	(70,000)
Excess (deficiency) of revenues over (under) expenses and other financing uses	99	(23,557)	(23,458)
Fund balances beginning of year	<u>154</u>	<u>114,274</u>	<u>114,428</u>
Fund balances end of year	<u>\$ 253</u>	<u>90,717</u>	<u>90,970</u>

See accompanying independent auditor's report.

City of Council Bluffs
Combining Balance Sheet
Agency Funds
June 30, 2002

	<u>Section 8</u>	<u>Municipal Housing Agency</u>	<u>Total</u>
Assets			
Due from other governments	\$ 15,604	23,220	38,824
Total assets	<u>\$ 15,604</u>	<u>23,220</u>	<u>38,824</u>
Liabilities			
Liabilities:			
Salaries and benefits payable	\$ 6,355	7,400	13,755
Trusts payable	3,645	2,600	6,245
Due to other funds	5,604	13,220	18,824
Total liabilities	<u>\$ 15,604</u>	<u>23,220</u>	<u>38,824</u>

See accompanying independent auditor's report.

City of Council Bluffs

Combining Statement of Changes in Trusts Payable

Agency Funds

Year ended June 30, 2002

	Section 8	Municipal Housing Agency	Total
Trusts Payable			
Balances beginning of year	\$ 5,726	3,649	9,375
Additions:			
Trusts	198,532	301,520	500,052
Deductions:			
Trusts paid out	200,613	302,569	503,182
Balances end of year	\$ 3,645	2,600	6,245

See accompanying independent auditor's report.

City of Council Bluffs
Schedule of Indebtedness
Year ended June 30, 2002

Obligation	Date of Issue	Interest Rates	Amount of Original Issue
General obligation bonds:			
Essential corporate purpose	Dec 1, 1988	6.600-6.875%	5,000,000
Essential corporate purpose	Sep 1, 1990	6.250-6.850	5,000,000
Essential corporate purpose	Dec 1, 1991	5.000-7.000	4,040,000
Essential corporate purpose	Jul 7, 2001	3.500-4.125	8,700,000
Total			
General obligation capital loan notes:			
Essential corporate purpose	Aug 1, 1992	4.200-5.200%	\$ 4,320,000
Essential corporate purpose	Dec 1, 1992	2.900-5.200	5,000,000
Essential corporate purpose	May 1, 1993	2.750-5.200	6,130,000
Essential corporate purpose	Dec 1, 1993	4.300-4.650	3,850,000
Essential corporate purpose	Dec 1, 1994	4.900-6.100	4,600,000
Essential corporate purpose	Dec 1, 1995	4.100-5.050	4,500,000
Essential corporate purpose	Aug 1, 1996	5.000-5.050	8,900,000
Essential corporate purpose	Oct 15, 1996	5.000-5.350	800,000
General corporate purpose	May 15, 1997	5.910	1,700,000
Essential corporate purpose	Aug 1, 1997	4.200-4.750	6,350,000
Essential corporate purpose	Feb 1, 1999	3.950-4.00	6,500,000
Essential corporate purpose	Mar 1, 2000	5.250-5.500	4,950,000
Essential corporate purpose	Nov 1, 2000	4.70-5.050	5,000,000
Essential corporate purpose	Apr 1, 2002	4.000-4.500	4,100,000
Total			
U.S. Government Guaranteed notes:			
Urban revitalization	Jul 18, 1991	7.130-8.740%	\$ 1,952,705
Capital lease purchase agreement:			
Copier	Feb 7, 2000	9.818%	\$ 99,066

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
1,000,000	-	1,000,000	-	68,750
2,650,000	-	1,250,000	1,400,000	180,900
2,780,000	-	205,000	2,575,000	166,605
-	8,700,000	-	8,700,000	310,427
\$ 6,430,000	8,700,000	2,455,000	12,675,000	726,682
700,000	-	700,000	-	36,400
-	-	-	-	-
1,745,000	-	410,000	1,335,000	86,107
3,850,000	-	250,000	3,600,000	175,150
3,075,000	-	900,000	2,175,000	184,825
4,400,000	-	25,000	4,375,000	220,155
8,900,000	-	-	8,900,000	446,413
550,000	-	100,000	450,000	29,075
1,411,966	-	107,577	1,304,389	83,447
6,150,000	-	100,000	6,050,000	288,800
6,250,000	-	50,000	6,200,000	247,800
4,950,000	-	-	4,950,000	263,575
5,000,000	-	-	5,000,000	248,025
-	4,100,000	-	4,100,000	-
\$ 46,981,966	4,100,000	2,642,577	48,439,389	2,309,772
155,000	-	155,000	-	6,774
82,174	-	82,174	-	-

City of Council Bluffs
Bond and Note Maturities
June 30, 2002

General Obligation Bonds						
Essential Corporate Purpose						
Year Ending June 30,	Issued Sep 1, 1990		Issued Dec 1, 1991		Issued July 1, 2001	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2003	6.85%	\$ 1,400,000	7.00%	\$ 220,000		\$ -
2004		-	7.00	230,000	3.50%	975,000
2005		-	6.20	245,000	3.60	1,125,000
2006		-	6.30	265,000	3.80	1,175,000
2007		-	6.40	280,000	3.90	1,240,000
2008		-	6.40	300,000	4.00	1,295,000
2009		-	5.00	320,000	4.125	1,360,000
2010		-	5.00	345,000	4.125	1,530,000
2011		-	5.00	370,000		
Total		<u><u>\$ 1,400,000</u></u>		<u><u>\$ 2,575,000</u></u>		<u><u>\$ 8,700,000</u></u>

General Obligation Capital Loan Notes								
Year Ending June 30,	Essential Corporate Purpose				General Corporate Purpose			
	Issued Aug 1, 1996		Issued Oct 15, 1996		Issued May 15, 1997		Issued Aug 1, 1997	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2003		\$ -	5.25%	\$ 100,000	5.91%	\$ 113,934	4.50%	\$ 250,000
2004	5.00%	1,075,000	5.35	350,000	5.91	120,668	4.60	700,000
2005	5.00	2,500,000		-	5.91	127,799	4.70	2,700,000
2006	5.00	1,500,000		-	5.91	135,352	4.75	2,400,000
2007	5.00	1,000,000		-	5.91	143,352		-
2008	5.05	2,825,000		-	5.91	151,824		-
2009		-		-	5.91	160,796		-
2010		-		-	5.91	170,300		-
2011		-		-	5.91	180,364		-
Total		<u><u>\$ 8,900,000</u></u>		<u><u>\$ 450,000</u></u>		<u><u>\$ 1,304,389</u></u>		<u><u>\$ 6,050,000</u></u>

General Obligation Capital Loan Notes								
Essential Corporate Purpose								
Year Ending June 30,	Issued May 1, 1993		Issued Dec 1, 1993		Issued Dec 1, 1994		Issued Dec 1, 1995	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2003	4.85%	\$ 425,000	4.50%	\$ 2,000,000	6.00%	\$ 950,000	4.65%	\$ 35,000
2004	5.00	445,000	4.65	1,600,000	6.10	1,225,000	4.75	50,000
2005	5.20	465,000	-	-	-	-	4.85	40,000
2006	-	-	-	-	-	-	4.95	1,550,000
2007	-	-	-	-	-	-	5.05	2,700,000
2008	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-
		<u>\$ 1,335,000</u>		<u>\$ 3,600,000</u>		<u>\$ 2,175,000</u>		<u>\$ 4,375,000</u>

General Obligation Capital Loan Notes						
Essential Corporate Purpose						
Year Ending June 30,	Issued Feb 1, 1999		Issued Mar 1, 2000		Issued Nov 1, 2000	
	Interest Rates	Amount	Rates	Amount	Rates	Amount
2003	3.95%	\$ 50,000		\$ -		\$ -
2004	3.95	100,000		-	4.70%	700,000
2005	3.95	50,000		-	5.00	25,000
2006	3.95	50,000		-	5.00	25,000
2007	3.95	1,350,000		-	5.00	25,000
2008	3.95	2,750,000		-	5.00	25,000
2009	4.00	1,850,000	5.25%	2,000,000	4.95	1,250,000
2010	-	-	5.35	2,450,000	5.00	1,450,000
2011	-	-	5.50	500,000	5.05	1,500,000
		<u>\$ 6,200,000</u>		<u>\$ 4,950,000</u>		<u>\$ 5,000,000</u>

Schedule 23

City of Council Bluffs
Bond and Note Maturities
June 30, 2002

Year Ending June 30,	<u>General Obligation Capital Loan Notes</u>		Total
	<u>Essential Corporate Purpose</u>		
	<u>Interest</u>	<u>Amount</u>	
	<u>Rates</u>		
2003		\$ -	5,543,934
2004		-	7,570,668
2005		-	7,277,799
2006	4.00%	75,000	7,175,352
2007	4.00	750,000	7,488,352
2008	4.15	500,000	7,846,824
2009	4.30	1,250,000	8,190,796
2010	4.50	1,525,000	7,470,300
2011		-	2,550,364
Total		<u>\$4,100,000</u>	<u>\$61,114,389</u>

See accompanying independent auditor's report.

City of Council Bluffs

Comparison of Taxes and Intergovernmental Revenues

	Years ended June 30,			
	2002	2001	2000	1999
Property tax	\$ 21,306,858	20,432,190	21,353,036	20,644,825
Tax increment financing	2,078,025	2,300,650	2,090,899	1,768,609
Other City tax:				
Local option sales tax	6,046,061	6,146,824	5,841,042	5,053,837
Parimutuel wager tax	114,473	124,606	125,783	67,152
Gaming wager tax	1,881,192	1,722,818	1,723,638	1,546,406
Hotel/motel tax	1,742,579	1,725,189	1,468,771	1,424,325
Cable TV franchise tax	508,714	201,731	197,068	176,524
Casino admission fees	2,559,503	2,425,257	2,617,007	2,446,281
Utility tax replacement excise tax	2,093,742	2,011,552	-	-
	<u>14,946,264</u>	<u>14,357,977</u>	<u>11,973,309</u>	<u>10,714,525</u>
Intergovernmental:				
Road use tax	4,716,891	4,432,947	4,449,957	4,131,068
State allocation	797,495	815,382	817,787	817,176
Grants	5,689,782	4,315,328	5,242,488	5,013,677
Bank franchise tax	24,425	28,179	46,660	31,460
Other	398,052	347,678	76,602	52,006
	<u>11,626,645</u>	<u>9,939,514</u>	<u>10,633,494</u>	<u>10,045,387</u>
Total	\$ <u>49,957,792</u>	<u>47,030,331</u>	<u>46,050,738</u>	<u>43,173,346</u>

See accompanying independent auditor's report.

Schedule 25

City of Council Bluffs

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of Housing and Urban Development:			
Community Development Block Grant Program/Entitlement Grants	14.218	B01-MC-19-0005	\$ 913,491
Community Development Block Grant Program/Entitlement Grants	14.218	B02-MC-19-0005	515,757
			<u>1,429,248</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant Program/Economic Development Initiative	14.246	B-01-SP-IA-0168	<u>190,207</u>
U.S. Department of Justice/Office of Community Oriented Policing Services:			
Public Safety Partnership and Community Policing Grants	16.710	95CCWX0482	<u>83,577</u>
U.S. Department of Transportation/Office of Federal Aviation Administration:			
Airport Improvement Program	20.106	3-19-0022-06	2,096
Total Direct			<u>1,705,128</u>
Indirect:			
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development: Emergency Shelter Grants Program	14.231	01-HES-007	<u>125,990</u>
City of Omaha, Nebraska:			
Home Investment Partnership Program	14.239	FY01	106,990
Home Investment Partnership Program	14.239	FY02	174,000
			<u>280,990</u>

City of Council Bluffs
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Justice:			
Governor's Office on Drug Control Policy:			
Byrne Formula Grant Program	16.579	00A-0201	7,180
Byrne Formula Grant Program	16.579	01A-0207	79,239
			<u>86,419</u>
Bulletproof Vest Partnership Program	16.607	01004270	5,438
Local Law Enforcement Block Grants Program	16.592	2001-LB-BX-4079	37,444
Pottawattamie County:			
Violence Against Women Formula Grants	16.588	FY02	55,032
U.S. Department of Transportation:			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	STP-U-1642(22)--70-78	734,574
Highway Planning and Construction	20.205	BROS-1642(624)--8J-78	608,348
Highway Planning and Construction	20.205	BROS-1642(628)--8J-78	64,470
			<u>1,407,392</u>
Metro Area Transit of Omaha, Nebraska:			
Federal Transit Capital and Operating Assistance Formula Grants	20.507	FY02	157,808
State Planning and Research	20.515	FY02	11,810
Iowa Department of Public Safety:			
State and Community Highway Safety	20.600	PAP 01-02	3,363
State and Community Highway Safety	20.600	PAP 02-02	9,334
			<u>12,697</u>

Schedule 25

City of Council Bluffs
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Health and Human Services:			
Iowa Department of Public Health:			
Immunization Grants	93.268	5881I420	3,117
Immunization Grants	93.268	5882I420	20,369
			<u>23,486</u>
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	5881AP07	17,570
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	5882AP07	20,210
			<u>37,780</u>
Preventive Health and Health Services Block Grant	93.991	5881AS07	220
Preventive Health and Health Services Block Grant	93.991	5882AS07	5,320
			<u>5,540</u>
Federal Emergency Management Agency:			
Iowa Department of Public Defense:			
Emergency Management Division:			
Public Assistance Grants	83.544	FEMA-1191-DRIA	93,692
Public Assistance Grants	83.544	EMV-2001-FG-02524	34,084
Public Assistance Grants	83.544	EMK-2001-GR-0031	73,656
			<u>201,432</u>
Firefighters Assistance Grants	83.554	155-16860-00	210,150
Total indirect			<u>2,659,408</u>
Total			<u>\$ 4,364,536</u>

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

See accompanying independent auditor's report.



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David A. Vaudt, CPA
Auditor of State

Independent Auditor's Report on Compliance and on
Internal Control over Financial Reporting

To the Honorable Mayor and
Members of the City Council

We have audited the general purpose financial statements of the City of Council Bluffs, Iowa as of and for the year ended June 30, 2002, and have issued our report thereon dated December 11, 2002. Our report expressed a qualified opinion on the financial statements due to the omission of separate fund equity components in the Enterprise Funds. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Council Bluffs' general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Council Bluffs' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect City of Council Bluffs' ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of City of Council Bluffs 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.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 11, 2002

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control over Compliance**

City of Council Bluffs



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control over Compliance

To the Honorable Mayor and
Members of the City Council:

Compliance

We have audited the compliance of the City of Council Bluffs, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. The City of Council Bluffs' major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Council Bluffs' management. Our responsibility is to express an opinion on the City of Council Bluffs' compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Council Bluffs' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Council Bluffs' compliance with those requirements.

In our opinion, the City of Council Bluffs complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the City of Council Bluffs' is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Council Bluffs and other parties to whom the City of Council Bluffs may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 11, 2002

City of Council Bluffs
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

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

- (a) A qualified opinion was issued on the financial statements due to the omission of separate fund equity components in the Enterprise Funds.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were identified.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 14.218 - Community Development Block Grant Program/Entitlement Grants
 - CFDA Number 20.205 - Highway Planning and Construction Grants
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Council Bluffs did not qualify as a low-risk auditee.

City of Council Bluffs
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part II: Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

II-A-02 Property and Equipment Records - The Enterprise Fund property and equipment records are not adjusted for the removal of sewer system infrastructure and related accumulated depreciation when a construction project replaces existing sections of the system.

Recommendation - The cost and related accumulated depreciation of sewer system infrastructure assets disposed of or replaced should be removed from the property and equipment records.

Response - The City has incorporated procedures to improve asset tracking to insure the removal of infrastructure is accounted for.

Conclusion - Response accepted.

City of Council Bluffs
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

No material weaknesses in internal control over major programs were identified.

City of Council Bluffs

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-02 Official Depositories - A resolution naming official depositories has been approved by the City. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2002.
- IV-B-02 Certified Budget - Disbursements during the year ended June 30, 2002 did not exceed the amounts budgeted.
- IV-C-02 Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-D-02 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- IV-E-02 Business Transactions - No business transactions between the City and City officials or employees were noted.
- IV-F-02 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 that coverage is adequate for current operations.
- IV-G-02 Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.
- IV-H-02 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- IV-I-02 Financial Condition - At June 30, 2001 and 2002, the City had deficit unreserved fund balances and retained earnings in the following accounts:

Fund	Unreserved Fund Balance/ Retained Earnings (Deficit)	
	2001	June 30, 2002
Capital Projects:		
Sports Complex	\$ -	(166,722)
Miscellaneous	(50,168)	(559,345)
Expendable Trust Funds:		
Library Grants	(7,116)	(4,376)

Recommendation - The City should investigate alternatives to eliminate these deficits in order to return these accounts to a sound financial position.

City of Council Bluffs

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Response - The City plans to eliminate the deficit fund balances upon receipt of future gaming wager tax, grants and other receipts. The deficit retained earnings balances will be eliminated through future collections from operating accounts.

Conclusion - Response accepted.

City of Council Bluffs

Staff

This audit was performed by:

Ronald D. Swanson, CPA, Manager
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Jill M. Bergantzel, CPA, Staff Auditor
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