



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

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**NEWS RELEASE**

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FOR RELEASE April 2, 2003

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

The City's primary government receipts totaled \$2,541,590 for the year ended June 30, 2002, an 8 percent increase from 2001. The receipts included \$444,382 in property tax, \$179,997 in tax increment financing collections, \$396,742 in local option sales tax, \$391,463 from the state, \$120,644 from the federal government and \$131,414 in interest on investments.

Disbursements for the year totaled \$2,874,942, a 6 percent decrease from the prior year. Disbursements included \$638,301 for community protection, \$259,422 for human development, \$1,589,995 for home and community environment and \$387,224 for policy and administration.

This report contains recommendations to the City Council and other City officials. For example, the City should review its internal control procedures to obtain the maximum internal control possible under the circumstances and the City should, each month, reconcile the receipt and disbursement journals to the subsidiary ledger computer printouts as well as to the monthly reports submitted to the City Council. In addition recommendations were made to improve internal control over the Evansdale Volunteer Fire Department Association. The City has responded that procedures will be established to accomplish the recommendations.

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

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**CITY OF EVANSDALE**  
**INDEPENDENT AUDITOR'S REPORTS**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FINDINGS**  
**JUNE 30, 2002**

0220-0049-B00F

## Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5
Financial Statements:	<u>Exhibit</u>
Combined Statement of Cash Transactions – All Fund Types and the Discretely Presented Component Unit	A      8-9
Comparison of Receipts, Disbursements and Changes in Balances – Actual to Budget	B      10-11
Statement of Indebtedness	C      12-13
Notes to Financial Statements	14-24
Supplemental Information:	<u>Schedule</u>
Combining and Individual Schedules of Cash Transactions:	
General Fund	1      26-33
Special Revenue Funds	2      34-37
Debt Service Fund	3      38
Capital Projects Fund	4      39
Enterprise Funds	5      40-41
Expendable Trust Funds	6      42-43
Comparison of Taxes and Intergovernmental Receipts	7      44
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting	45-46
Schedule of Findings	47-54
Staff	55

**City of Evansdale**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>(Before January 2002)</b>		
John W. Mardis	Mayor	Jan 2002
Carl Wyant	Mayor Pro tem	Jan 2002
Dick Dewater	Council Member	Jan 2002
Phil Muehl	Council Member	Deceased
Michelle Smith (Appointed)	Council Member	Nov 2001
Les Fuhrmann	Council Member	Jan 2004
Tom Little	Council Member	Jan 2004
Carol J. Wilson	Clerk	Jan 2002
Kristi Lundy	Deputy Clerk	Jan 2002
Jeanne Lantz	Treasurer	Jan 2002
Timothy J. Luce	Attorney	Jan 2002
<b>(After January 2002)</b>		
John W. Mardis	Mayor	Jan 2004
Carl Wyant	Mayor Pro tem	Jan 2006
Les Fuhrmann	Council Member	Jan 2004
Tom Little	Council Member	Jan 2004
Dick Dewater	Council Member	Jan 2006
Michelle Smith	Council Member	Jan 2006
Carol J. Wilson	Clerk	Jan 2004
Jane Walters	Deputy Clerk	Jan 2004
Jeanne Lantz	Treasurer	Jan 2004
Timothy J. Luce	Attorney	Jan 2004

**City of Evansdale**



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**Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council:

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the City of Evansdale, Iowa, as of and for the year ended June 30, 2002. These financial statements are the responsibility of the City of Evansdale's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the aforementioned financial statements present fairly, in all material respects, the results of the cash transactions of the funds of the City of Evansdale as of and for the year ended June 30, 2002, and its indebtedness at June 30, 2002, on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2003 on our consideration of the City of Evansdale's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is 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 aforementioned 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 three years ended June 30, 2001 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included in Schedules 1 through 7, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the aforementioned financial statements taken as a whole.

January 16, 2003

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

**City of Evansdale**



## **Financial Statements**

City of Evansdale

Combined Statement of Cash Transactions

All Funds and the Discretely Presented Component Unit

Year ended June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Receipts:</b>			
Property tax	\$ 443,152	1,230	-
Tax increment financing collections	-	179,997	-
Other city tax	345,553	119,023	-
Licenses and permits	31,859	-	-
Use of money and property	57,314	26,185	-
Intergovernmental	74,779	363,422	-
Charges for service	69,273	-	-
Miscellaneous	124,062	59,027	-
Total receipts	<u>1,145,992</u>	<u>748,884</u>	<u>-</u>
<b>Disbursements:</b>			
Community Protection Program	568,842	69,459	-
Human Development Program	259,422	-	-
Home and Community Environment Program	224,787	358,286	244,972
Policy and Administration Program	174,206	206,886	-
Non-program	-	-	-
Total disbursements	<u>1,227,257</u>	<u>634,631</u>	<u>244,972</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(81,265)</u>	<u>114,253</u>	<u>(244,972)</u>
<b>Other financing sources (uses):</b>			
Interfund loan repayments	-	(56,721)	-
Note proceeds, net of \$6,400 discount	-	-	-
Sale of general fixed assets	10,704	15,671	-
Operating transfers in	81,745	97,423	244,972
Operating transfers out	(148,210)	(31,438)	-
Total other financing sources (uses)	<u>(55,761)</u>	<u>24,935</u>	<u>244,972</u>
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	<u>(137,026)</u>	<u>139,188</u>	<u>-</u>
Balance beginning of year	<u>565,785</u>	<u>1,005,244</u>	<u>11,124</u>
Balance end of year	<u>\$ 428,759</u>	<u>1,144,432</u>	<u>11,124</u>

See notes to financial statements.

Capital Projects	Proprietary Fund Type Enterprise	Fiduciary Fund Type Expendable Trust	Total Primary Government (Memorandum Only)	Component Unit Municipal Waterworks	Total Reporting Entity (Memorandum Only)
-	-	-	444,382	-	444,382
-	-	-	179,997	-	179,997
-	-	-	464,576	-	464,576
-	-	3,294	35,153	-	35,153
18,022	36,995	-	138,516	33,319	171,835
88,000	16,973	-	543,174	-	543,174
-	383,376	-	452,649	701,549	1,154,198
95,926	2,767	1,361	283,143	80,603	363,746
201,948	440,111	4,655	2,541,590	815,471	3,357,061
-	-	-	638,301	-	638,301
-	-	-	259,422	-	259,422
109,882	650,872	1,196	1,589,995	486,479	2,076,474
-	-	6,132	387,224	-	387,224
-	-	-	-	390,119	390,119
109,882	650,872	7,328	2,874,942	876,598	3,751,540
92,066	(210,761)	(2,673)	(333,352)	(61,127)	(394,479)
-	56,721	-	-	-	-
-	633,600	-	633,600	-	633,600
-	-	-	26,375	-	26,375
-	22,382	480	447,002	-	447,002
(244,972)	(22,382)	-	(447,002)	-	(447,002)
(244,972)	690,321	480	659,975	-	659,975
(152,906)	479,560	(2,193)	326,623	(61,127)	265,496
281,521	1,169,839	46,715	3,080,228	588,019	3,668,247
128,615	1,649,399	44,522	3,406,851	526,892	3,933,743

City of Evansdale

Comparison of Receipts, Disbursements and Changes in Balances  
Actual to Budget

Year ended June 30, 2002

	Primary Government Actual	Component Unit Actual	Total Reporting Entity
<b>Receipts:</b>			
Property tax	\$ 444,382	-	444,382
Tax increment financing collections	179,997	-	179,997
Other city tax	464,576	-	464,576
Licenses and permits	35,153	-	35,153
Use of money and property	138,516	33,319	171,835
Intergovernmental	543,174	-	543,174
Charges for service	452,649	701,549	1,154,198
Miscellaneous	283,143	80,603	363,746
Total receipts	<u>2,541,590</u>	<u>815,471</u>	<u>3,357,061</u>
<b>Disbursements:</b>			
Community Protection Program	638,301	-	638,301
Human Development Program	259,422	-	259,422
Home and Community Environment Program	1,589,995	486,479	2,076,474
Policy and Administration Program	387,224	-	387,224
Non-program	-	390,119	390,119
Total disbursements	<u>2,874,942</u>	<u>876,598</u>	<u>3,751,540</u>
Deficiency of receipts under disbursements	(333,352)	(61,127)	(394,479)
Other financing sources, net	659,975	-	659,975
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	326,623	(61,127)	265,496
Balance beginning of year	<u>3,080,228</u>	<u>588,019</u>	<u>3,668,247</u>
Balance end of year	<u>\$ 3,406,851</u>	<u>526,892</u>	<u>3,933,743</u>

See notes to financial statements.

Less Funds not Required to be Budgeted	Net	Amended Budget	Variance Favorable (Unfavorable)	Net as % of Amended Budget
-	444,382	442,193	2,189	100%
-	179,997	183,801	(3,804)	98%
-	464,576	448,049	16,527	104%
-	35,153	58,586	(23,433)	60%
66	171,769	75,983	95,786	226%
-	543,174	622,420	(79,246)	87%
390,119	764,079	1,509,560	(745,481)	51%
22,323	341,423	112,310	229,113	304%
412,508	2,944,553	3,452,902	(508,349)	85%
23,009	615,292	615,345	53	100%
-	259,422	283,080	23,658	92%
-	2,076,474	2,482,274	405,800	84%
-	387,224	468,580	81,356	83%
390,119	-	-	-	-
413,128	3,338,412	3,849,279	510,867	87%
(620)	(393,859)	(396,377)		
-	659,975	641,000		
(620)	266,116	244,623		
7,888	3,660,359	1,026,145		
7,268	3,926,475	1,270,768		

City of Evansdale  
Statement of Indebtedness  
Year ended June 30, 2002

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation notes:			
Essential corporate purpose	Mar 1, 1999	4.30-4.400%	\$ 3,200,000
Sewer improvement	Jun 1, 2001	5.00-5.500	995,000
Sewer improvement	Jun 1, 2002	5.00-5.400	640,000
Total			
Revenue bonds:			
Sewer	Apr 1, 1970	3.625%	\$ 417,000
Loan agreements (note 6):			
Evansdale Municipal Waterworks	Jan 19, 1995		\$ 149,400
Evansdale Municipal Waterworks	Mar 5, 2002	5.000%	15,671
Total			

See notes to financial statements.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
2,155,000	-	150,000	2,005,000	94,670
995,000	-	-	995,000	51,938
-	640,000	-	640,000	-
<b>\$ 3,150,000</b>	<b>640,000</b>	<b>150,000</b>	<b>3,640,000</b>	<b>146,608</b>
154,000	-	15,000	139,000	5,311
46,069	-	40,604	5,465	-
-	15,671	-	15,671	-
<b>\$ 46,069</b>	<b>15,671</b>	<b>40,604</b>	<b>21,136</b>	<b>-</b>

City of Evansdale

Notes to Financial Statements

June 30, 2002

**(1) Summary of Significant Accounting Policies**

The City of Evansdale is a political subdivision of the State of Iowa located in Black Hawk County. It was first incorporated in 1947 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens including public safety, public works, culture, recreation, public improvements and general administrative services.

**A. Reporting Entity**

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

These financial statements present the City of Evansdale (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. Certain disclosures about the discretely presented component unit are not included because the component unit has been audited separately and a report has been issued under separate cover. The audited financial statements are available at the Evansdale Municipal Waterworks' office.

**Discretely Presented Component Unit**

The Evansdale Municipal Waterworks is presented in a separate column to emphasize that it is legally separate from the City, but is financially accountable to the City, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The Waterworks is governed by a three-member board appointed by the City Council and the Waterworks' operating budget is subject to the approval of the City Council.



### Blended Component Unit

The Evansdale Volunteer Fire Department Association is an entity which is legally separate from the City, but is so intertwined with the City that it is, in substance, part of the City. The Association is reported as part of the City and blended as a Special Revenue Fund. The Association is incorporated under Chapter 504 of the Code of Iowa. It's mission is to diligently prevent and control fires, and to provide emergency services, and to perform such duties in connection therewith as may be required of it under the control of the Council, City of Evansdale, and such officers that may be elected by the Fire Department from year to year. The contributions are used for training and to purchase items which are not included in the City's budget.

### Jointly Governed Organizations

The City also participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Black Hawk County Assessor's Conference Board, Black Hawk County E911 Joint Service Board and Black Hawk County Emergency Management Agency. The City also participates in the Black Hawk County Solid Waste Management Commission, a jointly governed organization established pursuant to Chapter 28E of the Code of Iowa.

## B. Fund Accounting

The accounts of the City are organized on the basis of funds, 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 receipts, disbursements and fund balances. The various funds 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 receipts 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 disbursements, the fixed charges and the capital improvement costs that are not paid through other funds.

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

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

Capital Projects Fund - The Capital Projects Fund is 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 Funds.

### Proprietary Fund

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

### Fiduciary Funds

Expendable Trust Funds - The Expendable Trust Funds are utilized to account for monies and properties received and held by the City in a trustee capacity.

Component Unit - The discretely presented component unit accounts for the financial activity of the Evansdale Municipal Waterworks. The Waterworks meets the Governmental Accounting Standards Board criteria requiring it to be reported as a discretely presented component unit.

### C. Basis of Accounting

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

### D. 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 the Special Revenue Fund, Evansdale Volunteer Fire Department Association and the discretely presented component unit's sewer rental and solid waste collections because these funds are remitted to the City where they are recorded and budgeted. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

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

### E. Total (Memorandum Only)

The total column on the combined statement of cash transactions is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column 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 and its component unit'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 and its component unit are 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 and Board of Trustees, respectively; 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 and its component unit have no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement Number 3.

In addition, the City and its component unit had investments in the Iowa Public Agency Investment Trust which are valued at amortized costs of \$302,430 and \$117,446, respectively, pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

**(3) Bonds and Notes Payable**

Annual debt service requirements to maturity for general obligation notes and revenue bonds is as follows:

Year Ending June 30,	General Obligation Notes		
	Essential		Corporate Purpose
	Issued Mar 1, 1999		
	Interest Rates	Principal	Interest
2003	4.40%	\$ 160,000	88,220
2004	4.40	165,000	81,180
2005	4.40	175,000	73,920
2006	4.40	185,000	66,220
2007	4.40	200,000	58,080
2008	4.40	205,000	49,280
2009	4.40	215,000	40,260
2010	4.40	100,000	30,800
2011	4.40	100,000	26,400
2012	4.40	100,000	22,000
2013	4.40	100,000	17,600
2014	4.40	100,000	13,200
2015	4.40	100,000	8,800
2016	4.40	100,000	4,400
2017		-	-
2018		-	-
2019		-	-
2020		-	-
2021		-	-
2022		-	-
Total		\$ 2,005,000	580,360

General Obligation Notes							
Sewer Improvements							
Year Ending June 30,	Issued June 1, 2001			Issued June 1, 2002			
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	
2003	5.00%	\$ 35,000	51,938	5.00%	\$ 20,000	32,920	
2004	5.00	35,000	50,187	5.00	20,000	31,920	
2005	5.00	40,000	48,438	5.00	20,000	30,920	
2006	5.00	40,000	46,437	5.00	25,000	29,920	
2007	5.00	40,000	44,438	5.00	25,000	28,670	
2008	5.00	40,000	42,437	5.00	25,000	27,420	
2009	5.05	45,000	40,438	5.00	25,000	26,170	
2010	5.05	45,000	38,165	5.00	25,000	24,920	
2011	5.10	50,000	35,892	5.00	30,000	23,670	
2012	5.10	50,000	33,343	5.00	30,000	22,170	
2013	5.10	50,000	30,792	5.00	30,000	20,670	
2014	5.20	55,000	28,243	5.05	35,000	19,170	
2015	5.25	60,000	25,382	5.10	35,000	17,402	
2016	5.30	60,000	22,233	5.15	35,000	15,618	
2017	5.30	65,000	19,052	5.20	40,000	13,815	
2018	5.40	65,000	15,575	5.25	40,000	11,735	
2019	5.45	70,000	12,065	5.30	40,000	9,635	
2020	5.50	75,000	8,250	5.35	45,000	7,515	
2021	5.50	75,000	4,125	5.35	45,000	5,108	
2022		-	-	5.40	50,000	2,700	
Total		\$ 995,000	597,430		\$ 640,000	402,068	

Revenue Bonds						
Sewer						
Year Ending June 30,	Issued Apr 1, 1970			Total		
	Interest Rates	Principal	Interest	Principal	Interest	
2003	3.625%	\$ 15,000	5,039	\$ 230,000	\$ 178,117	
2004	3.625	16,000	4,495	236,000	167,782	
2005	3.625	16,000	3,915	251,000	157,193	
2006	3.625	17,000	3,335	267,000	145,912	
2007	3.625	18,000	2,719	283,000	133,907	
2008	3.625	18,000	2,066	288,000	121,203	
2009	3.625	19,000	1,414	304,000	108,282	
2010	3.625	20,000	725	190,000	94,610	
2011		-	-	180,000	85,962	
2012		-	-	180,000	77,513	
2013		-	-	180,000	69,062	
2014		-	-	190,000	60,613	
2015		-	-	195,000	51,584	
2016		-	-	195,000	42,251	
2017		-	-	105,000	32,867	
2018		-	-	105,000	27,310	
2019		-	-	110,000	21,700	
2020		-	-	120,000	15,765	
2021		-	-	120,000	9,233	
2022		-	-	50,000	2,700	
Total		\$ 139,000	23,708	\$ 3,779,000	1,603,566	

The resolution providing for the issuance of the sewer revenue bonds includes the following provisions:

- (a) The bonds will only be redeemed from the future earnings of the enterprise activity and the bondholders hold a lien on the future earnings of the funds.
- (b) Sufficient monthly transfers shall be made to a sewer revenue bond sinking account for the purpose of making the bond principal and interest payments when due. The sewer revenue bond sinking account is required to maintain a balance of \$20,500. In addition, the City is required to accumulate an amount equal to not less than the principal and interest maturing in the next succeeding 12 months.
- (c) Monthly transfers of \$150 shall be made to a sewer depreciation account until the required \$30,000 balance is accumulated. This account is restricted for the purpose of paying for unusual or extraordinary maintenance, repairs, renewals and replacements to the system.

#### **(4) Pension and Retirement Systems**

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 pension plan 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 Municipal Fire and Police Retirement System of Iowa, 2836 104<sup>th</sup> St., Urbandale, 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 \$34,272, \$32,202 and \$31,008, respectively, which exceeded the required minimum contribution for each year.

Iowa Public Employees Retirement System (IPERS) - 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 covered salary and the City is required to contribute 5.75% of annual covered payroll except for police employees, in which case the percentages are 6.20% and 9.29%, respectively. Contribution requirements are established by state statute. The City's contribution to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$26,885, \$25,283, and \$24,657, respectively, equal to the required contributions for each year.

#### **(5) Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, retirement or death. Sick leave is payable when used or upon termination, retirement or death. If paid upon retirement or death, the total accumulated banked hours are reduced by one-half, not to exceed 480 hours, and if paid upon termination are reduced to one-fourth, not to exceed 240 hours.

These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and sick leave termination payments payable to employees at June 30, 2002, primarily relating to the General Fund, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ 26,000
Sick leave	<u>29,000</u>
Total	<u>\$ 55,000</u>

This liability has been computed based on rates of pay in effect at June 30, 2002.

**(6) Loans**

Interfund Loans

During the year ended June 30, 1985, the Special Revenue Fund, Home Acres Tax Increment Financing District loaned \$281,054 to the General Fund, General Account. The loan bears no interest. As of June 30, 2002, no repayments had been made, leaving a balance of \$281,054.

During the year ended June 30, 1995, the Special Revenue Fund, Home Acres Tax Increment Financing District loaned \$153,000 to the Special Revenue Fund, East Heights Tax Increment Financing District for the purpose of extending water and sewer lines. The loan bears no interest and matures on December 31, 2014. As of June 30, 2002, no repayments had been made, leaving a balance of \$153,000.

During the year ended June 30, 1995, the Enterprise Fund, Sewer Rental loaned \$208,700 to the Special Revenue Fund, East Heights Tax Increment Financing District for the purpose of extending water and sewer lines. The loan bears no interest and matures on December 31, 2014. During the year ended June 30, 2002, \$56,721 was repaid, leaving a balance of \$7,633.

During the year ended June 30, 1999, the Enterprise Fund, Sewer Rental loaned \$11,851 to the Special Revenue Fund, East Heights Tax Increment Financing District for the purpose of upgrading the pumps at the Evansdale Drive lift station. The loan bears no interest and matures on September 30, 2018. As of June 30, 2002, no repayments had been made, leaving a balance of \$11,851.

During the year ended June 30, 2000, the City approved a loan of \$180,848 to be repaid by the Special Revenue Fund, East Heights Tax Increment Financing District. The Evansdale Drive PCC Widening and Signalization project was completed within that district and financed with the proceeds from the issuance of general obligation corporate purpose notes which are to be repaid from the Debt Service Fund. The East Heights Tax Increment Financing District will repay the loan to the Debt Service Fund. The loan bears no interest and matures on December 31, 2015. As of June 30, 2002, no repayments had been made, leaving a balance of \$180,848.

During the year ended June 30, 2002, the Special Revenue Fund, Home Acres Tax Increment Financing District loaned \$31,819 to the Special Revenue Fund, Northwest Target Tax Increment Financing District for the purpose of economic development for a local business. The loan bears interest at 5% and matures on June 30, 2011. As of June 30, 2002, no repayments had been made, leaving a balance of \$31,819.

During the year ended June 30, 2002, the Special Revenue Fund, Road Use Tax loaned \$67,093 to the Special Revenue Fund, Northwest Target Tax Increment Financing District for the purpose of constructing an extension of Technology Drive and the first section of Digital Drive. The loan bears interest at 5% and matures on June 30, 2012. As of June 30, 2002, no repayments had been made, leaving a balance of \$67,093.

During the year ended June 30, 2002, the Enterprise Fund, Sewer Rental loaned \$12,792 to the Special Revenue Fund, Northwest Target Tax Increment Financing District for the purpose of constructing an extension of the Technology Drive sewer system. The loan bears interest at 5% and matures on June 30, 2012. As of June 30, 2002, no repayments had been made, leaving a balance of \$12,792.

#### Intergovernmental Loans from the Evansdale Municipal Waterworks

On January 19, 1995, the Evansdale Municipal Waterworks loaned \$149,400 to the City's Special Revenue Fund, East Heights Tax Increment Financing District for the purpose of extending water lines in the East Heights Urban Renewal Area. The loan bears no interest and matures on December 31, 2014. During the year ended June 30, 2002, payments totaling \$40,604 were made, leaving a balance of \$5,465.

On March 5, 2002, the Evansdale Municipal Waterworks loaned \$15,671 to the City's Special Revenue Fund, Northwest Tax Increment Financing District for the purpose of constructing an extension of the Technology Drive water system. The loan bears interest at 5% and matures June 30, 2012. As of June 30, 2002, no repayments had been made, leaving a balance of \$15,671.

#### Intergovernmental Loan to the Evansdale Municipal Waterworks

On March 1, 1999, the City entered into a loan agreement with the Evansdale Municipal Waterworks in the amount of \$1,200,000 for the construction of a water tower. The loan is to be repaid in sixteen (16) annual installments, including semi annual interest payments at rates ranging from 4.30% to 4.40%. During the year ended June 30, 2002, payments totaling \$45,000 were made, leaving a balance of \$1,110,000.

### **(7) Economic Development Loans**

On October 25, 1995, the City of Evansdale loaned \$35,000 to a local business for machinery and equipment acquisition and working capital. The loan bears interest at 4% and is to be paid in monthly installments of \$644.61 beginning December 1, 1995 through November 1, 2000. As of June 30, 2002, \$16,401 has been received, of which \$13,953 represents principal and \$2,448 represents interest. The local business has filed for Chapter 11 bankruptcy protection. The City believes that payment for this obligation will eventually be received. During the year ended June 30, 2002, no payments were made, leaving a balance of \$21,047.

On November 20, 1996, the City of Evansdale loaned \$75,000 to developers to construct water and sewer main extensions to the Shelly Addition. The loan bears interest at 6% and is to be paid in monthly installments of \$1,500 beginning January 1, 1997 through December 1, 2001. On January 1, 2000, the loan was reduced by \$6,600 as the result of a stipulation in the agreement allowing for a loan cancellation of 2% of the assessed taxable valuation for each commercial construction exceeding \$100,000. At June 30, 2000, this loan was delinquent by six months totaling \$5,960. These payments were made subsequent to year end and payments were up-to-date in February, 2001. A new payment schedule was calculated at that time. The remaining balance of \$6,505 was paid during the year ended June 30, 2002.

On August 22, 1997, the City of Evansdale loaned \$72,603 from the Special Revenue Fund, Home Acres Tax Increment Financing District to Evansdale Senior Housing III, LLC for additional financial assistance in order to complete construction of housing for low and moderate income senior citizens. The loan shall be for an indefinite period of time and bears no interest. The loan shall become due in full at any time the building, or any portion thereof, shall be sold or be used for any purpose other than solely for senior housing, or after 31 years, whichever shall occur first.

On May 4, 1999, the City of Evansdale conveyed land to Cives Corporation at no cost for the purpose of accommodating a 5,600 square foot commercial building with potential future expansion and its associated parking, storage and landscaping. Had the Cives Corporation not proceeded with the proposed development, said land would revert back to the City. Upon substantial completion of the proposed structure the City provided forgivable loan funds to Cives Corporation in the amount of 10% of the taxable valuation of the property. On July 21, 2000, the City loaned Cives Corporation \$31,819, which represents 10% of the taxable valuation of the property. The forgivable loan funds will be repaid by Cives Corporation to the City upon failure to meet the terms of the agreement. The loan will be forgiven at the rate of 1/5<sup>th</sup> of the total loan amount per year starting with the date of occupancy certification. The occupancy date was stated as December 13, 1999. As of June 30, 2002, the amount forgiven totaled \$19,090, leaving a balance of \$12,729.

**(8) Risk Management**

The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 384.12 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2002 were \$33,070.



The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damages are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2002, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(9) Deficit Fund Balances**

The Special Revenue Fund, Liability Insurance had a deficit balance of \$10,374 at June 30, 2002. The deficit will be eliminated through subsequent year receipts.

The Special Revenue Fund, East Heights Tax Increment Financing District had a deficit balance of \$41,119 at June 30, 2002. The deficit will be eliminated through the continuing development of the East Heights area and subsequent collection of tax increment financing revenues.

**(10) Related Party Transactions**

The City had business transactions totaling \$67,026 between the City and City officials during the year ended June 30, 2002.

**(11) Construction Commitments**

At June 30, 2002, the City had outstanding construction commitments for trail, street and wastewater treatment plant construction projects totaling \$1,557,985. Payments will be made as work on the projects progresses.

**(12) Subsequent Event**

On December 1, 2002, the City issued \$1,820,000 of urban renewal tax increment revenue bonds, series 2002A, for the purpose of planning, undertaking and carrying out an urban renewal project within the Home Acres Urban Renewal Area consisting of the construction of a Community Response Center. These bonds are payable from funds collected in the Special Revenue Fund, Home Acres Urban Renewal Tax Revenue.

## **Supplemental Information**

City of Evansdale  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Streets
Receipts:		
Property tax	\$ 443,152	-
Other city tax:		
Cable TV franchise	21,532	-
Local option sales tax	-	198,371
Hotel/motel tax	16,633	-
Utility tax replacement excise tax	12,503	-
Mobile home tax	533	-
	51,201	198,371
Licenses and permits:		
Liquor	3,477	-
Cigarette	1,013	-
Beer	1,325	-
Building	21,499	-
Electrical	1,846	-
Dog and cat	779	-
Plumbing	1,382	-
Miscellaneous	538	-
	31,859	-
Use of money and property:		
Interest on investments	50,212	-
Interest on economic development loans	162	-
Rent	6,940	-
	57,314	-
Intergovernmental:		
State allocation	50,879	-
County library allocation	1,034	-
Cities of Elk Run Heights and Raymond	13,060	-
Library open access	1,551	-
Sales tax refunds	-	373
Bank franchise tax	4,244	-
Governors Traffic Safety Bureau	3,638	-
	74,406	373

Fire Department Escrow	Capital Improvement Surplus	Hotel/Motel Tax	Asset Forfeiture	Total
-	-	-	-	443,152
-	-	-	-	21,532
-	79,348	-	-	277,719
-	-	16,633	-	33,266
-	-	-	-	12,503
-	-	-	-	533
-	79,348	16,633	-	345,553
-	-	-	-	3,477
-	-	-	-	1,013
-	-	-	-	1,325
-	-	-	-	21,499
-	-	-	-	1,846
-	-	-	-	779
-	-	-	-	1,382
-	-	-	-	538
-	-	-	-	31,859
-	-	-	-	50,212
-	-	-	-	162
-	-	-	-	6,940
-	-	-	-	57,314
-	-	-	-	50,879
-	-	-	-	1,034
-	-	-	-	13,060
-	-	-	-	1,551
-	-	-	-	373
-	-	-	-	4,244
-	-	-	-	3,638
-	-	-	-	74,779

City of Evansdale  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Streets
Receipts (continued):		
Charges for service:		
Garbage collection fees	266	-
Cleaning service	1,195	-
Hazardous spills cleanup fees	31	-
Ambulance fees	67,781	-
	69,273	-
Miscellaneous:		
Court fines	18,867	-
Parking fines	95	-
Copy fees	1,182	-
Police reports	656	-
Gas tax refund	4,668	-
Forfeiture proceeds	-	-
Camping, shelter and beach fees	68,496	-
Refunds and reimbursements	3,829	-
Library fines, fees and memorials	961	-
Economic development loan repayments	4,730	-
Donations	12,000	-
Miscellaneous	1,452	1,500
	116,936	1,500
Total receipts	844,141	200,244
Disbursements:		
Community Protection Program:		
Police:		
Personal services	329,694	-
Contractual services	78,965	-
Commodities	18,819	-
Capital outlay	24,235	-
	451,713	-
Fire:		
Personal services	21,694	-
Contractual services	50,109	-
Commodities	6,283	-
Capital outlay	5,950	-
	84,036	-

Fire Department Escrow	Capital Improvement Surplus	Hotel/Motel Tax	Asset Forfeiture	Total
-	-	-	-	266
-	-	-	-	1,195
-	-	-	-	31
-	-	-	-	67,781
-	-	-	-	69,273
-	-	-	-	18,867
-	-	-	-	95
-	-	-	-	1,182
-	-	-	-	656
-	-	-	-	4,668
-	-	-	5,443	5,443
-	-	-	-	68,496
-	-	-	-	3,829
-	-	-	-	961
-	-	-	-	4,730
-	-	-	-	12,000
-	-	-	183	3,135
-	-	-	5,626	124,062
-	79,348	16,633	5,626	1,145,992
-	-	-	-	329,694
-	-	-	4,797	83,762
-	-	-	737	19,556
-	-	-	-	24,235
-	-	-	5,534	457,247
-	-	-	-	21,694
-	-	-	-	50,109
-	-	-	-	6,283
6,710	-	-	-	12,660
6,710	-	-	-	90,746

City of Evansdale  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Streets
Disbursements (continued):		
Community Protection Program:		
Flood control	-	2,159
Street lighting	-	18,690
	535,749	20,849
Human Development Program:		
Animal control	4,130	-
Parks and recreation:		
Personal services	5,749	-
Contractual services	39,310	-
Commodities	2,026	-
Capital outlay	147,045	-
	194,130	-
Library:		
Personal services	22,926	-
Contractual services	9,598	-
Commodities	12,614	-
Capital outlay	782	-
	45,920	-
Pathways Behavioral/Operation Threshold/ Hawkeye Valley Area Agency on Aging	5,643	-
Cedar Valley Lakes	2,300	-
Regional Transit	6,300	-
	258,423	-
Home and Community Environment Program:		
Building inspection:		
Personal services	22,302	-
Contractual services	2,827	-
Commodities	244	-
	25,373	-
Community beautification	500	132
Street maintenance	-	198,782
	25,873	198,914



Fire Department Escrow	Capital Improvement Surplus	Hotel/Motel Tax	Asset Forfeiture	Total
-	-	-	-	2,159
-	-	-	-	18,690
6,710	-	-	5,534	568,842
-	-	-	-	4,130
-	-	-	-	5,749
-	-	-	-	39,310
-	-	-	-	2,026
-	-	999	-	148,044
-	-	999	-	195,129
-	-	-	-	22,926
-	-	-	-	9,598
-	-	-	-	12,614
-	-	-	-	782
-	-	-	-	45,920
-	-	-	-	5,643
-	-	-	-	2,300
-	-	-	-	6,300
-	-	999	-	259,422
-	-	-	-	22,302
-	-	-	-	2,827
-	-	-	-	244
-	-	-	-	25,373
-	-	-	-	632
-	-	-	-	198,782
-	-	-	-	224,787

City of Evansdale  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Streets
Disbursements (continued):		
Policy and Administration Program:		
Legislative and financial administration:		
Personal services	100,764	-
Contractual services	58,964	-
Commodities	6,067	-
Capital outlay	6,164	-
	171,959	-
Planning and Zoning:		
Contractual services	1,981	-
Commodities	266	-
	2,247	-
	174,206	-
Total disbursements	994,251	219,763
Excess (deficiency) of receipts over (under) disbursements	(150,110)	(19,519)
Other financing sources (uses):		
Sale of general fixed assets	10,304	400
Operating transfers in (out):		
General:		
General	-	-
Fire Department Escrow	(5,000)	-
Capital Improvement Surplus	(19,448)	-
Hotel / Motel Tax	55,547	-
Asset Forfeiture	(1,750)	-
Special Revenue:		
Employee Benefits	(66,465)	-
Total other financing sources (uses)	(26,812)	400
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(176,922)	(19,119)
Balance beginning of year	222,653	214,684
Balance end of year	\$ 45,731	195,565

See accompanying independent auditor's report.

Fire Department Escrow	Capital Improvement Surplus	Hotel/Motel Tax	Asset Forfeiture	Total
-	-	-	-	100,764
-	-	-	-	58,964
-	-	-	-	6,067
-	-	-	-	6,164
-	-	-	-	171,959
-	-	-	-	1,981
-	-	-	-	266
-	-	-	-	2,247
-	-	-	-	174,206
6,710	-	999	5,534	1,227,257
(6,710)	79,348	15,634	92	(81,265)
-	-	-	-	10,704
5,000	19,448	(55,547)	1,750	(29,349)
-	-	-	-	(5,000)
-	-	-	-	(19,448)
-	-	-	-	55,547
-	-	-	-	(1,750)
-	-	-	-	(66,465)
5,000	19,448	(55,547)	1,750	(55,761)
(1,710)	98,796	(39,913)	1,842	(137,026)
20,593	51,907	55,547	401	565,785
18,883	150,703	15,634	2,243	428,759

City of Evansdale  
Combining Schedule of Cash Transactions  
Special Revenue Funds  
Year ended June 30, 2002

	Road Use Tax	Liability Insurance	Employee Benefits	Police Retire- ment
<b>Receipts:</b>				
Property tax	\$ -	-	1,230	-
Tax increment financing collections	-	-	-	-
<b>Other city tax:</b>				
Local option sales tax	-	-	119,023	-
<b>Use of money and property:</b>				
Interest on investments	-	-	20,933	-
<b>Intergovernmental:</b>				
Road use tax allocation	334,416	-	-	-
Community Development Block Grant	-	-	-	-
	<u>334,416</u>	-	-	-
<b>Miscellaneous:</b>				
Refunds and reimbursements	-	4,671	30,648	-
Donations	-	-	-	-
Miscellaneous	555	-	-	-
	<u>555</u>	<u>4,671</u>	<u>30,648</u>	-
<b>Total receipts</b>	<u>334,971</u>	<u>4,671</u>	<u>171,834</u>	-
<b>Disbursements:</b>				
<b>Community Protection Program:</b>				
<b>Police:</b>				
Personal services	-	-	34,450	-
<b>Fire:</b>				
Commodities	-	-	-	-
Capital outlay	-	-	-	-
Street lighting	12,000	-	-	-
	<u>12,000</u>	-	<u>34,450</u>	-
<b>Home and Community Environment Program:</b>				
<b>Street maintenance:</b>				
Personal services	153,047	-	-	-
Contractual services	38,597	-	-	-
Commodities	67,888	-	-	-
Capital outlay	27,879	-	-	-
Economic development	-	-	-	-
Loan repayments to Evansdale Municipal Waterworks	-	-	-	-
	<u>287,411</u>	-	-	-

**Schedule 2**

Police Pension Reserve	Home Acres Tax Increment Financing District	Northwest Target Tax Increment Financing District	East Heights Tax Increment Financing District	Volunteer Fire Department Association	Local Option Sales Tax Surplus	Total
-	-	-	-	-	-	1,230
-	-	69,512	110,485	-	-	179,997
-	-	-	-	-	-	119,023
130	5,056	-	-	66	-	26,185
-	-	-	-	-	-	334,416
-	29,006	-	-	-	-	29,006
-	29,006	-	-	-	-	363,422
-	-	-	-	-	-	35,319
-	-	-	-	22,323	-	22,323
-	830	-	-	-	-	1,385
-	830	-	-	22,323	-	59,027
130	34,892	69,512	110,485	22,389	-	748,884
-	-	-	-	-	-	34,450
-	-	-	-	9,365	-	9,365
-	-	-	-	13,644	-	13,644
-	-	-	-	-	-	12,000
-	-	-	-	23,009	-	69,459
-	-	-	-	-	-	153,047
-	-	-	-	-	-	38,597
-	-	-	-	-	-	67,888
-	-	-	-	-	-	27,879
-	30,045	226	-	-	-	30,271
-	-	-	40,604	-	-	40,604
-	30,045	226	40,604	-	-	358,286

City of Evansdale  
Combining Schedule of Cash Transactions  
Special Revenue Funds  
Year ended June 30, 2002

	Road Use Tax	Liability Insurance	Employee Benefits	Police Retire- ment
Disbursements (continued):				
Policy and Administration Program:				
Other administrative expense:				
Personal services	-	-	169,935	-
Tort liability:				
Contractual services	-	36,951	-	-
Total disbursements	299,411	36,951	204,385	-
Excess (deficiency) of receipts over (under) disbursements	35,560	(32,280)	(32,551)	-
Other financing sources (uses):				
Interfund loan repayments	-	-	-	-
Loan proceeds from Evansdale Water Works	-	-	-	-
Operating transfers in (out):				
General:				
General	-	-	66,465	-
Special Revenue:				
Liability Insurance	-	-	(30,958)	-
Employee Benefits	-	30,958	-	-
Expendable Trust:				
Dental Insurance	(480)	-	-	-
Total other financing sources (uses)	(480)	30,958	35,507	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	35,080	(1,322)	2,956	-
Balance beginning of year	315,871	(9,052)	93,928	339,170
Balance end of year	\$ 350,951	(10,374)	96,884	339,170

See accompanying independent auditor's report.

Police Pension Reserve	Home Acres Tax Increment Financing District	Northwest Target Tax Increment Financing District	East Heights Tax Increment Financing District	Volunteer Fire Department Association	Local Option Sales Tax Surplus	Total
-	-	-	-	-	-	169,935
-	-	-	-	-	-	36,951
-	-	-	-	-	-	206,886
-	30,045	226	40,604	23,009	-	634,631
130	4,847	69,286	69,881	(620)	-	114,253
-	-	-	(56,721)	-	-	(56,721)
-	-	15,671	-	-	-	15,671
-	-	-	-	-	-	66,465
-	-	-	-	-	-	(30,958)
-	-	-	-	-	-	30,958
-	-	-	-	-	-	(480)
-	-	15,671	(56,721)	-	-	24,935
130	4,847	84,957	13,160	(620)	-	139,188
14,289	246,481	(49,595)	(54,279)	7,888	100,543	1,005,244
14,419	251,328	35,362	(41,119)	7,268	100,543	1,144,432

**Schedule 3**

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City of Evansdale  
Schedule of Cash Transactions  
Debt Service Fund  
Year ended June 30, 2002

Receipts:	
None	\$ <u>          -</u>
Disbursements:	
Home and Community Environment Program:	
Debt service:	
Principal redemption	150,000
Interest payments	94,670
Note fees	<u>          302</u>
Total disbursements	<u>244,972</u>
Deficiency of receipts under disbursements	(244,972)
Other financing sources:	
Operating transfers in:	
Capital Projects:	
1999 Note Projects	<u>244,972</u>
Excess of receipts and other financing sources over disbursements	-
Balance beginning of year	<u>11,124</u>
Balance end of year	<u><u>\$ 11,124</u></u>

See accompanying independent auditor's report.



City of Evansdale  
 Schedule of Cash Transactions  
 Capital Projects Fund  
 Year ended June 30, 2002

	1999 Note Projects
Receipts:	
Use of money and property:	
Interest on investments	\$ 18,022
Intergovernmental	
Highway Planning and Construction grant	88,000
Miscellaneous:	
Principal from Evansdale Waterworks	45,000
Interest from Evansdale Waterworks	50,926
	95,926
Total receipts	201,948
Disbursements:	
Home and Community Environment Program:	
Bike trail projects	109,882
Excess of receipts over disbursements	92,066
Other financing uses:	
Operating transfers out:	
Debt Service	(244,972)
Deficiency of receipts under disbursements and other financing uses	(152,906)
Balance beginning of year	281,521
Balance end of year	\$ 128,615

See accompanying independent auditor's report.

**Schedule 5**

City of Evansdale  
Combining Schedule of Cash Transactions  
Enterprise Funds  
Year ended June 30, 2002

	Sewer Rental	Sewer Revenue Bond Sinking	Sewer Deprecia- tion	2001 Sewer Bond	Garbage	Total
<b>Receipts:</b>						
Use of money and property:						
Interest on investments	\$ -	-	-	36,995	-	36,995
<b>Intergovernmental:</b>						
Black Hawk County Solid Waste Commission	-	-	-	-	16,973	16,973
<b>Charges for service:</b>						
Sewer rental fees	258,546	-	-	-	-	258,546
Penalty fees	106	-	-	-	-	106
Garbage collection fees	-	-	-	-	124,724	124,724
	<u>258,652</u>	-	-	-	<u>124,724</u>	<u>383,376</u>
<b>Miscellaneous:</b>						
Reimbursements	2,767	-	-	-	-	2,767
Total receipts	<u>261,419</u>	-	-	<u>36,995</u>	<u>141,697</u>	<u>440,111</u>
<b>Disbursements:</b>						
Home and Community Environment Program:						
Personal services	76,023	-	-	-	-	76,023
Contractual services	68,905	-	-	14,017	132,002	214,924
Commodities	4,937	-	-	-	5,895	10,832
Treatment plant maintenance	3,490	-	-	-	-	3,490
Lift station maintenance	8,724	-	-	-	-	8,724
Treatment plant and lift station improvements	35,410	-	-	205,167	-	240,577
Capital outlay	18,769	-	-	-	4,984	23,753
Debt service:						
Bonds redeemed	-	15,000	-	-	-	15,000
Interest paid	-	5,311	-	51,938	-	57,249
Fiscal charges	-	-	-	300	-	300
Total disbursements	<u>216,258</u>	<u>20,311</u>	-	<u>271,422</u>	<u>142,881</u>	<u>650,872</u>
Excess (deficiency) of receipts over (under) disbursements	<u>45,161</u>	<u>(20,311)</u>	-	<u>(234,427)</u>	<u>(1,184)</u>	<u>(210,761)</u>

City of Evansdale  
Combining Schedule of Cash Transactions  
Enterprise Funds  
Year ended June 30, 2002

	Sewer Rental	Sewer Revenue Bond Sinking	Sewer Deprecia- tion	2001 Sewer Bond	Garbage	Total
Other financing sources (uses):						
Interfund loan repayments	56,721	-	-	-	-	56,721
Note proceeds (net of \$6,400 discount)	-	-	-	633,600	-	633,600
Operating transfers in (out):						
Enterprise:						
Sewer Rental	-	20,582	1,800	-	-	22,382
Sewer Revenue Bond Sinking	(20,582)	-	-	-	-	(20,582)
Sewer Depreciation	(1,800)	-	-	-	-	(1,800)
Total other financing sources (uses)	34,339	20,582	1,800	633,600	-	690,321
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	79,500	271	1,800	399,173	(1,184)	479,560
Balance beginning of year	52,283	38,919	45,487	985,916	47,234	1,169,839
Balance end of year	\$131,783	39,190	47,287	1,385,089	46,050	1,649,399

See accompanying independent auditor's report.

City of Evansdale  
Combining Schedule of Cash Transactions  
Expendable Trust Funds  
Year ended June 30, 2002

	Permit Advance
Receipts:	
Licenses and permits:	
Plumbing, electrical and heating permits	\$ 3,294
Miscellaneous:	
Dental and life insurance collections	-
Miscellaneous	-
	-
Total receipts	3,294
Disbursements:	
Home and Community Environment Program:	
Contractual services	1,196
Policy and Administration Program:	
Contractual services	-
Total disbursements	1,196
Excess (deficiency) of receipts over (under) disbursements	2,098
Other financing sources:	
Operating transfers in:	
Special Revenue:	
Road Use Tax	-
	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements	2,098
Balance beginning of year	8,764
Balance end of year	\$ 10,862

See accompanying independent auditor's report.

Dental Insurance	Life Insurance	Severance Pay/ Sick Leave	Library Memorial	Total
-	-	-	-	3,294
750	549	-	-	1,299
62	-	-	-	62
812	549	-	-	1,361
812	549	-	-	4,655
-	-	-	-	1,196
3,504	2,628	-	-	6,132
3,504	2,628	-	-	7,328
(2,692)	(2,079)	-	-	(2,673)
480	-	-	-	480
(2,212)	(2,079)	-	-	(2,193)
25,538	4,546	7,820	47	46,715
23,326	2,467	7,820	47	44,522

**Schedule 7**

## City of Evansdale

## Comparison of Taxes and Intergovernmental Receipts

	Years ended June 30,			
	2002	2001	2000	1999
Property tax	\$ 444,382	443,097	438,725	412,861
Tax increment financing collections	179,997	141,645	120,410	123,281
Other city tax:				
Local option sales tax	396,742	368,597	419,360	405,482
Hotel/motel tax	33,266	37,742	33,068	28,716
Utility tax replacement excise tax	12,503	13,114	-	-
Other	22,065	20,259	14,819	12,885
	464,576	439,712	467,247	447,083
Intergovernmental:				
State allocation	50,879	56,306	56,473	56,437
Road use tax allocation	334,416	370,222	376,211	355,750
Bank franchise tax	4,244	1,666	4,561	3,162
Highway Planning and Construction grant	88,000	70,911	799,837	-
Grants	32,644	7,612	30,765	90,063
Other	32,991	19,387	57,354	18,675
	543,174	526,104	1,325,201	524,087
Total	\$1,632,129	1,550,558	2,351,583	1,507,312

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 financial statements of the City of Evansdale, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated January 16, 2003. 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 Evansdale's 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. However, we noted certain immaterial instances of non-compliance that are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for items (5) and (10).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Evansdale's 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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 the City of Evansdale's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings.

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 the 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, of the reportable conditions described above, we believe item (A) is a material weakness. Prior year reportable conditions items (A), (B) (C) and (D) have not been resolved.

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 Evansdale and other parties to whom the City of Evansdale may report. This report is not intended to be and should not be used by anyone other than these specified parties.

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

January 16, 2003

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State



City of Evansdale

Schedule of Findings

Year ended June 30, 2002

**Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**REPORTABLE CONDITIONS:**

- (A) Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the City's financial statements. Generally one or two individuals in the office may have control over the following areas for which no compensating controls exist:

- (1) Receipts -- collecting, depositing, posting and reconciling daily receipts.
- (2) Accounting System -- general accounting/general ledger/journal entry, custody and control of assets and the detail recording of accounts.

Recommendation -

- (1) The functions of collecting, depositing, posting and reconciling daily receipts should not be performed by the same employee. We realize that with a limited number of office employees, this is difficult. However, a reconciliation of collections to deposits should be prepared and reviewed by an independent individual who could sign or initial to document review.
- (2) The functions of general accounting/general ledger/journal entry, custody and control of assets and the detail recording of accounts should not be performed by the same employee. We realize that with a limited number of office employees, this is difficult. However, a reconciliation of detailed receipts and disbursements to the general ledger should be prepared and reviewed by an independent individual who could sign or initial to document review. Additionally, all journal entries should be approved by an independent individual.

The City should review its control activities and consider involving other City personnel or Council Members to perform and document supervisory reviews to obtain the maximum internal control possible under the circumstances.

Response - We currently have at least two people involved in the collecting, depositing and posting of receipts. Our deposits are drawn up by one of two people and the deposit is verified by a third person in the office. The physical deposit is done by someone not involved in the receipting and depositing and usually is done by water works personnel.

City of Evansdale

Schedule of Findings

Year ended June 30, 2002

We will be implementing new software before the start of the new fiscal year in compliance with the new state chart of accounts. This will require new training for both the City Clerk and Deputy City Clerk. After that, we anticipate the duties will be shared and traded monthly between the City Clerk and Deputy City Clerk.

Conclusion – Response accepted.

- (B) Reconciliation Procedures – The receipts and disbursements per the Clerk/Treasurer’s report did not reconcile with the subsidiary ledger computer printouts due to various posting errors. Also, corrections or adjustments made to the Clerk/Treasurer’s report, based on the outcome of the cash reconciliation with the Treasurer, are not always carried through the accounting system to the subsidiary ledger level. In addition, fund transfers were not consistently recorded to transfers in/out subsidiary ledger descriptions.

Recommendation – To improve financial accountability, budgetary control and consistency in reporting financial information, the City should reconcile the receipts and disbursements per the Clerk/Treasurer’s report with the subsidiary ledger computer printouts at month end. Corrections or adjustments made to the Clerk/Treasurer’s report should be carried through the accounting system to the subsidiary ledger level of accounting. In addition, transfers between funds should be recorded to the appropriate subsidiary ledger descriptions and the Clerk/Treasurer’s report. The City’s records were corrected as of June 30, 2002.

Response – We will strive to be more careful in the future to be sure the receipts and disbursements match the computer ledger. Also, we will be more conscientious that corrections and adjustments are reflected on all the financial records.

Conclusion – Response accepted.

- (C) Information Systems – During our review of internal control, the existing control activities in the City’s computer based systems were evaluated in order to determine that activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The following weaknesses in the City’s computer based systems were noted:

The City does not have written policies for:

- password privacy and confidentiality.
- requiring password changes every 60 to 90 days because software does not require the user to change log-ins/passwords periodically.
- a disaster recover plan.

Also, a time out and/or log off function is not utilized and the City does not use a screen saver password.

City of Evansdale

Schedule of Findings

Year ended June 30, 2002

Recommendation – The City should develop written policies addressing the above items in order to improve the City’s control over computer based systems. Also, a time out and/or log off function or a screen saver password should be utilized.

Response – The City has only one significant password which is the one required to log on to our accounting software. Our policy is that it be closely held, known only to the City Clerk and Deputy City Clerk, and that it be written in a sealed envelope held in a secure place known to the Mayor.

We will not require frequent changes of password, believing that such a policy leads to a degradation of security rather than enhancing it.

The essential electronic data owned by the City is contained in our General Accounting and payroll software programs. Back-ups of this data are taken on a regular basis. The back-ups are held in a secure place off-site. Since the programs run on ordinary PC’s, no special provisions for hardware are necessary. The monthly printouts are, of course, also available, as well as paper documentation of all transactions.

Conclusion – Response acknowledged. Passwords should be assigned to require individuals to identify the user. These passwords should be periodically changed.

- (D) Evansdale Volunteer Fire Department Association – A petty cash fund on hand at the Fire Department is not maintained on an imprest basis. Prenumbered receipts were not issued for all collections. Collections were not always deposited intact and timely.

Minutes of certain meetings could not be located. Also, minutes located were not signed. Certain purchases were approved in the minutes. However, most items are not approved by anyone other than the check signers. Disbursements were not always supported by invoices or other supporting documentation. Most invoices were not marked paid to prevent duplicate payment.

Checkbook registers or ledgers were not maintained to record receipt and disbursement activity and monthly bank reconciliations were not performed.

Recommendation – The petty cash fund should be maintained on an imprest basis to provide additional control over the fund. Receipts should be retained for all petty cash purchases and filed for reimbursement on a regular basis to replenish the petty cash fund. Prenumbered receipts should be issued for all collections to provide control over the proper collection and recording of all money. Collections should be deposited intact and timely.

Minutes of all meetings should be maintained and signed to authenticate actions taken. All purchases should be approved by someone other than the check signer. A listing of bills should be approved at the Association meetings and included in the minutes. All disbursements should be supported by invoices or other supporting documentation. All paid invoices should be marked or stamped paid with the date of payment to aid in preventing duplicate payment of invoices.

City of Evansdale

Schedule of Findings

Year ended June 30, 2002

The Association should maintain a check register and receipt and disbursement ledger to record receipt and disbursement activity. Using these ledgers a book balance should be computed that should be reconciled to bank account balances at the end of each month.

Response – The petty cash fund had supporting documents for the expenditures; they were at best, confusing. After speaking with and receiving recommendations from the Auditor, a clear method of tracking petty cash vs. receipts will be maintained on a ledger with receipts retained, tracked and submitted to corroborate expenditures.

An accounting of receipts is in place using pre-numbered receipts, however as pointed out, they were not deposited in a more timely manner. I believe all monies received by the department were accounted for and included on receipts, there was not an easy method tracking their deposit. Deposits will now be made with reference to each receipt on the deposit slip and done in chronological order and within two weeks (or less) of receipt. The Fire Chief represented that many of the questions raised by the audit will be answered by review of the ledger implemented during March 2002. However, this ledger was not made available to the auditor during the fiscal 2002 audit but will be available in subsequent audits of the City. The computer program that had been installed during the last year was a bit complex and confusing and a more user friendly program has been obtained that will allow for easier entry and tracking. A hand written ledger of member's accounts will be kept for each member that will track specific deposits and expenditures.

Minutes of all meetings under this administration were present and made available to the auditor. Unfortunately, part of this reporting period fell under a previous administration and minutes of those meetings were missing. All meeting minutes are typed and stored in a locked office at the Fire Station. Meeting minutes are always read at the following business meeting and approved for accuracy by the membership, however no signature has been required on those minutes. In the future, minutes will be signed by the author and signed or initialed by the officer presiding over the meeting where they were approved by the membership (the following month).

Purchases have been approved by the membership and noted in minutes. Two signers are required for all checks written and a more conscientious effort will be made to insure that those expenditures are approved at the next business meeting.

As a result of the banking ledgers not being provided to the auditor, the tracking of certain disbursements was difficult for him to account for. While the tracking of specific expenditures was supported by documents in those ledgers, we will need to insure all supporting documents are provided to the auditor in the future.

The Department will begin stamping invoices as paid with reference to the check number, as well as the invoice book stamped as deposited with the date of deposit included.

City of Evansdale

Schedule of Findings

Year ended June 30, 2002

The Association does maintain a check register on the computer, but again, as a result of an oversight, was not provided to the auditor. A more user friendly version has been obtained and will now be reconciled by the Secretary-Treasurer, and then reviewed by either the Chief or Assistant Chief of the Department before being accepted and filed. Reconciliation of the books will be done as soon as possible after receiving the statement, however will not be allowed to go incomplete into the following month. The Chief of the Department shall oversee this to insure it is completed.

An accounting manual will be discussed and consideration given to detailing responsibilities on how the tasks and responsibilities shall be distributed.

Conclusion – Response accepted.

City of Evansdale

Schedule of Findings

Year ended June 30, 2002

**Other Findings Related to Required Statutory Reporting:**

- (1) Official Depository - 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.
- (2) Certified Budget - Disbursements during the year ended June 30, 2002 did not exceed the amounts budgeted. The notice of the budget amendment hearing was not published at least 10 days prior to the hearing as required by Chapter 384.16(3) of the Code of Iowa.

Recommendation - The notice of the budget amendment hearing should be published not less than 10 days nor more than 20 days prior to the hearing date in accordance with Chapter 384.16(3) of the Code of Iowa.

Response - We will monitor this and make sure we comply with the state code.

Conclusion - Response accepted.

- (3) Questionable Disbursements - No disbursements that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (4) Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- (5) Business Transactions - Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Richard Wilcox, Street Department employee	Rental	\$ 35
Chad Deutsch, Police Reserve officer, owns Advanced Auto Service	Auto repair and maintenance	5,871
Rick Reuter, Building Inspector, owner of Reuter Construction	Installation of fence, per bid	3,394
Michael Burke, Police Chief, owner of The Cell Shack	Pagers and pager repairs	1,475
Debra J. Burke, wife of Police Chief	EMT equipment recertification	251
E. K. Bridge, Inc. owner is the sister of Council member Carl Wyant	Dubuque Road Bridge Project, per bid	46,000
E. K. Bridge, Inc. owner is the sister of Council member Carl Wyant	6 <sup>th</sup> Street Bridge work	10,000

City of Evansdale

Schedule of Findings

Year ended June 30, 2002

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with the Street Department employee, Police Chief and the Police Chief's wife do not appear to represent conflicts of interest since total transactions with each individual were less than \$1,500 during the fiscal year.

The transactions with the Police Reserve officer do not appear to represent a conflict of interest based on an opinion from legal counsel for the City of Evansdale.

The transactions with the Building Inspector and E. K. Bridge, Inc. for the Dubuque Road Bridge Project do not represent conflicts of interest since they were entered into through competitive bidding.

However, the transaction with E. K. Bridge, Inc. for the 6<sup>th</sup> Street Bridge work may represent a conflict of interest as the total is greater than \$1,500 and was not competitively bid.

Recommendation - The City should consult legal counsel to determine the disposition of this matter.

Response - We will do so.

Conclusion - Response accepted.

- (6) Bond Coverage - Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- (7) Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not except as follows:

Although claims were published, the purpose was not always properly published as required by Chapter 372.13(6) of the Code of Iowa and an Attorney General's opinion dated April 12, 1978.

Recommendation - The City should insure that the purpose of all claims are properly published as required.

Response - We will seek legal advice as to the requirement and follow that advice.

Conclusion - Response accepted.

- (8) 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.
- (9) Revenue Bonds - No instances of non-compliance with the sewer revenue bond resolution provisions were noted.
- (10) Financial Condition - The Special Revenue Funds, Liability Insurance and East Heights Tax Increment Financing District, had deficit balances at June 30, 2002.

City of Evansdale

Schedule of Findings

Year ended June 30, 2002

Recommendation - The City should continue to investigate alternatives to eliminate these deficit balances in order to return these accounts to a sound financial condition.

Response - We continue to make substantial and timely transfers into these accounts and are on schedule in our debt elimination program.

Conclusion - Response accepted.

- (11) Electronic Check Retention - Chapter 554D.114 of the Code of Iowa allows the City to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The City retains cancelled checks through electronic image, but does not obtain an image of the back of each cancelled check as required.

Recommendation - The City should obtain and retain an image of both the front and back of each cancelled check as required.

Response - Our bank is now providing images of both sides of the cancelled checks.

Conclusion - Response accepted.



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City of Evansdale

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager  
Darryl J. Brumm, CPA, Senior Auditor II  
Jennifer Campbell, Staff Auditor  
Jason R. Matter, Staff Auditor

Andrew E. Nielsen, CPA  
Deputy Auditor of State