



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

State Capitol Building  
Des Moines, Iowa 50319-0004

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David A. Vaudt, CPA  
Auditor of State

**NEWS RELEASE**

FOR RELEASE

February 4, 2003

Contact: Andy Nielsen  
515/281-5515

The Office of Auditor of State today released a comprehensive annual financial report on the City of Iowa Falls, Iowa.

The City's revenues totaled \$18,126,030 for the year ended June 30, 2002, a less than 1 percent decrease from 2001. The revenues included \$2,636,432 in local taxes (including \$368,115 of local option sales tax), \$1,146,181 from the state, \$12,759,780 from charges for service and \$223,731 in interest on investments. The City also had other financing sources of \$795,056 from the sale of general obligation notes.

Expenditures for the year totaled \$17,744,515, a 3 percent decrease from the prior year, and included \$1,294,345 for community protection, \$12,009,879 for human development, \$3,758,360 for home and community environment and \$681,931 for policy and administration.

A copy of the comprehensive annual financial report is available for review in the office of the Auditor of State and the City Manager's office.

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**CITY OF IOWA FALLS, IOWA**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2002**

Prepared By:  
City of Iowa Falls  
Finance Department

City of Iowa Falls  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2002

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**City of Iowa Falls**

## **Introductory Section**

**City of Iowa Falls**

**List of Principal Officials**

**June 30, 2002**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Rocky Lavalle	Mayor	Jan 2004
Frankie Tjarks	Mayor Pro tem	Jan 2004
Jody Anderson	Council Member	Jan 2004
Diane Meier	Council Member	Jan 2004
Judy Crawford	Council Member	Jan 2006
Mark Messa	Council Member	Jan 2006
Mike Hays	City Manager	Jul 2002
Lisa Hamilton	City Clerk/Treasurer	Jul 2002
Clark McNeal	Attorney	Jul 2002
Doug Strike	Police Chief	Jul 2002
Marlyn Humphrey	Fire Chief	Indefinite
Deanne Henry	Library Director	Indefinite
Brian Lorenzen	Park Superintendent	Indefinite
Merlin Clock	Street/Sanitation Superintendent	Indefinite
Elvin Van Kooten	Building and Zoning	Indefinite
Francis Janssen	Water/Wastewater Superintendent	Indefinite
Jolene Liekweg	Deputy City Clerk	Indefinite
Norm Kastendick	Hospital Board of Trustees	Jan 2004
Francis Pisney	Hospital Board of Trustees	Jan 2004
Diana Ruhl	Hospital Board of Trustees, Secretary	Jan 2004
Kraig Kasischke	Hospital Board of Trustees	Jan 2006
John Swartz	Hospital Board of Trustees, President	Jan 2006
John O'Brien	Hospital Administrator	Indefinite
Betty Riley	Hospital Accountant	Indefinite



## **Financial Section**

**City of Iowa Falls**



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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 Iowa Falls, Iowa, as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of the City of Iowa Falls' 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 Hospital Fund, an enterprise fund. 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 Hospital Fund, 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 auditors provides a reasonable basis for our opinion.

As discussed in Note 17 to the financial statements, the City of Iowa Falls 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 governmental 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, based upon our audit and the report of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of City of Iowa Falls at June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Combined Statement of Receipts/Revenues, Disbursements/Expenses and Changes in Balances - Actual to Budget presents fairly, in all material respects, the cash receipts and disbursements of the funds, the revenues and expenses of the Hospital Fund, and the legally adopted budget of the City of Iowa Falls for the year ended June 30, 2002.

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2002 on our consideration of the City of Iowa Falls' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 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 general purpose 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 16, 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 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.

The statistical section information included in Schedules A through N has not been audited by us and, accordingly, we do not express an opinion on it.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

November 25, 2002

**General Purpose Financial Statements**

City of Iowa Falls  
 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
<b>Assets and Other Debits</b>				
<b>Assets:</b>				
Cash and pooled cash investments	\$ 686,612	1,706,823	62,643	853,697
Receivables (net of allowances for uncollectibles) (note 3):				
Property tax:				
Delinquent	10,714	5,260	3,334	-
Succeeding year	770,000	369,000	253,000	-
Tax increment financing revenues:				
Delinquent	-	11,043	-	-
Succeeding year	-	675,000	-	-
Customer accounts and unbilled usage	-	-	-	-
Accrued interest	1,712	6,734	157	2,097
Other	11,835	-	-	2,189
Economic development loans (note 7)	-	416,382	-	-
Due from other governments	62,104	71,292	-	4,283
Due from other funds (note 9)	-	31,557	-	-
Interfund receivable (note 9)	-	110,362	-	-
Inventories	-	-	-	-
Prepaid expenses	-	-	-	-
Restricted assets:				
Cash and pooled cash investments	-	-	-	-
Accrued interest on restricted assets	-	-	-	-
Investment in affiliate organizations	-	-	-	-
Advance to other funds (note 9)	598	131,494	-	245,453
Property and equipment (note 4):				
Land	-	-	-	-
Buildings and structures	-	-	-	-
Improvements other than buildings	-	-	-	-
Equipment and vehicles	-	-	-	-
Construction in progress	-	-	-	-
Accumulated depreciation	-	-	-	-
Bond issuance costs	-	-	-	-
Other debits:				
Amount available for the payment of general long-term debt	-	-	-	-
Amount to be provided for the payment of general long-term debt	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 1,543,575</b>	<b>3,534,947</b>	<b>319,134</b>	<b>1,107,719</b>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total Primary Government (Memorandum Only)	Component Unit- Airport Authority	Total Reporting Entity (Memorandum Only)
		General	General			
Enterprise	Trust	Fixed Assets	Long-Term Debt			
2,534,995	520,377	-	-	6,365,147	-	6,365,147
-	-	-	-	19,308	329	19,637
-	-	-	-	1,392,000	23,000	1,415,000
-	-	-	-	11,043	-	11,043
-	-	-	-	675,000	-	675,000
2,497,952	-	-	-	2,497,952	-	2,497,952
6,905	1,302	-	-	18,907	-	18,907
70,576	-	-	-	84,600	322	84,922
-	-	-	-	416,382	-	416,382
-	-	-	-	137,679	-	137,679
-	-	-	-	31,557	-	31,557
285,294	825	-	-	396,481	-	396,481
385,022	-	-	-	385,022	-	385,022
82,899	-	-	-	82,899	-	82,899
1,671,867	-	-	-	1,671,867	-	1,671,867
6,065	-	-	-	6,065	-	6,065
360,353	-	-	-	360,353	-	360,353
41,689	98,291	-	-	517,525	-	517,525
683,257	-	911,838	-	1,595,095	-	1,595,095
5,006,509	-	2,731,390	-	7,737,899	-	7,737,899
9,742,906	-	2,975,452	-	12,718,358	-	12,718,358
9,058,058	-	2,203,705	-	11,261,763	-	11,261,763
456,429	-	418,419	-	874,848	-	874,848
(10,701,418)	-	-	-	(10,701,418)	-	(10,701,418)
25,691	-	-	-	25,691	-	25,691
-	-	-	65,975	65,975	-	65,975
-	-	-	3,555,749	3,555,749	-	3,555,749
<b>22,215,049</b>	<b>620,795</b>	<b>9,240,804</b>	<b>3,621,724</b>	<b>42,203,747</b>	<b>23,651</b>	<b>42,227,398</b>

City of Iowa Falls  
 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
<b>Liabilities, Fund Equity and Other Credits</b>				
Liabilities:				
Accounts payable	\$ 59,888	30	-	16,712
Accrued liabilities	54,806	-	-	-
Contracts payable	-	-	-	219,919
Deferred revenue:				
Succeeding year property tax	770,000	369,000	253,000	-
Succeeding year tax increment financing revenue	-	675,000	-	-
Other	2,889	420,428	159	2,189
Due to other funds (note 9)	31,557	-	-	-
Due to other governments	1,843	-	-	-
Capital lease payable (note 5)	-	-	-	-
Interfund payable (note 9)	-	92,874	-	303,607
Third-party payor settlement	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-
Advance from other funds (note 9)	-	127,265	-	390,260
General obligation bonds/notes payable (note 5)	-	-	-	-
Revenue bonds/notes payable (note 5)	-	-	-	-
Total liabilities	<u>920,983</u>	<u>1,684,597</u>	<u>253,159</u>	<u>932,687</u>
Fund equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Reserved for revenue bond retirement	-	-	-	-
Reserved for wastewater replacement	-	-	-	-
Reserved for wastewater improvement	-	-	-	-
Unreserved	-	-	-	-



Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total Primary Government (Memorandum Only)	Component Unit- Airport Authority	Total Reporting Entity (Memorandum Only)
		General Fixed Assets	General Long-Term Debt			
Enterprise	Trust					
519,949	43	-	-	596,622	1,393	598,015
455,695	-	-	146,724	657,225	-	657,225
62,439	-	-	-	282,358	-	282,358
-	-	-	-	1,392,000	23,000	1,415,000
-	-	-	-	675,000	189	675,189
-	-	-	-	425,665	-	425,665
-	-	-	-	31,557	-	31,557
11,398	-	-	-	13,241	-	13,241
26,756	-	-	-	26,756	-	26,756
-	-	-	-	396,481	-	396,481
161,202	-	-	-	161,202	-	161,202
336,647	-	-	-	336,647	-	336,647
-	-	-	-	517,525	-	517,525
-	-	-	3,475,000	3,475,000	-	3,475,000
5,223,265	-	-	-	5,223,265	-	5,223,265
6,797,351	43	-	3,621,724	14,210,544	24,582	14,235,126
-	-	-	-	-	-	-
-	-	9,240,804	-	9,240,804	-	9,240,804
4,142,078	-	-	-	4,142,078	-	4,142,078
148,965	-	-	-	148,965	-	148,965
18,729	-	-	-	18,729	-	18,729
81,506	-	-	-	81,506	-	81,506
2,497,928	-	-	-	2,497,928	-	2,497,928

City of Iowa Falls  
 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
Fund equity and other credits (continued):				
Fund balances:				
Reserved for debt service	-	-	65,975	-
Reserved for advance to other funds	598	131,494	-	245,453
Unreserved:				
Designated for future equipment purchases/capital improvements	112,905	-	-	-
Designated for library gifts and memorials	16,851	-	-	-
Designated for park gifts and memorials	5,302	-	-	-
Designated for indenture agreements	-	-	-	-
Designated for purpose specified by donor	-	-	-	-
Designated for specific programs	-	-	-	-
Undesignated	486,936	1,718,856	-	(70,421)
Total fund equity and other credits	622,592	1,850,350	65,975	175,032
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 1,543,575</b>	<b>3,534,947</b>	<b>319,134</b>	<b>1,107,719</b>

See notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total Primary Government (Memorandum Only)	Component Unit- Airport Authority	Total Reporting Entity (Memorandum Only)
		General Fixed Assets	General Long-Term Debt			
Enterprise	Trust					
-	-	-	-	65,975	-	65,975
-	-	-	-	377,545	-	377,545
1,060,185	-	-	-	1,173,090	-	1,173,090
-	-	-	-	16,851	-	16,851
-	-	-	-	5,302	-	5,302
284,725	-	-	-	284,725	-	284,725
935,605	-	-	-	935,605	-	935,605
9,047	-	-	-	9,047	-	9,047
6,238,930	620,752	-	-	8,995,053	(931)	8,994,122
15,417,698	620,752	9,240,804	-	27,993,203	(931)	27,992,272
22,215,049	620,795	9,240,804	3,621,724	42,203,747	23,651	42,227,398

City of Iowa Falls

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficit)

All Governmental Fund Types - Primary Government  
and Discretely Presented Component Unit

Year ended June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Revenues:</b>			
Property tax	\$ 812,936	398,207	254,460
Tax increment financing revenues	-	655,491	-
Other City tax	88,419	407,386	19,533
Licenses and permits	38,335	-	-
Use of money and property	22,207	53,640	3,235
Intergovernmental	154,012	420,292	-
Charges for service	168,473	-	-
Miscellaneous	160,239	91,618	1,102
Total revenues	<u>1,444,621</u>	<u>2,026,634</u>	<u>278,330</u>
<b>Expenditures:</b>			
Current operating:			
Community Protection Program	1,017,062	13,199	-
Human Development Program	546,635	-	-
Home and Community Environment Program	342,610	293	-
Policy and Administration Program	330,223	-	-
Capital outlay	244,033	94,021	-
Debt service:			
Principal	-	-	415,000
Interest	-	10,651	167,101
Total expenditures	<u>2,480,563</u>	<u>118,164</u>	<u>582,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,035,942)</u>	<u>1,908,470</u>	<u>(303,771)</u>
<b>Other financing sources (uses):</b>			
General obligation capital loan note proceeds (net of \$4,944 discount)	-	-	-
Operating transfers in	1,013,583	60,184	308,682
Operating transfers out	-	(1,788,378)	-
Transfer from primary government to component unit	(14,288)	-	-
Total other financing sources (uses)	<u>999,295</u>	<u>(1,728,194)</u>	<u>308,682</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(36,647)</u>	<u>180,276</u>	<u>4,911</u>
Fund balances beginning of year	<u>659,239</u>	<u>1,670,074</u>	<u>61,064</u>
Fund balances (deficit) end of year	<u>\$ 622,592</u>	<u>1,850,350</u>	<u>65,975</u>

See notes to financial statements.

Capital Projects	Fiduciary Fund Type Trust	Total Primary Government (Memorandum Only)	Component Unit- Airport Authority	Total (Memorandum Only)
-	-	1,465,603	25,005	1,490,608
-	-	655,491	-	655,491
-	-	515,338	2,459	517,797
-	-	38,335	-	38,335
18,300	16,790	114,172	12,848	127,020
610,329	-	1,184,633	-	1,184,633
-	-	168,473	-	168,473
420,584	-	673,543	372	673,915
<b>1,049,213</b>	<b>16,790</b>	<b>4,815,588</b>	<b>40,684</b>	<b>4,856,272</b>
-	-	1,030,261	-	1,030,261
-	-	546,635	-	546,635
-	-	342,903	56,016	398,919
-	2,015	332,238	-	332,238
1,547,473	-	1,885,527	-	1,885,527
-	-	415,000	-	415,000
-	-	177,752	-	177,752
<b>1,547,473</b>	<b>2,015</b>	<b>4,730,316</b>	<b>56,016</b>	<b>4,786,332</b>
(498,260)	14,775	85,272	(15,332)	69,940
795,056	-	795,056	-	795,056
616,051	55,540	2,054,040	-	2,054,040
(346,537)	-	(2,134,915)	-	(2,134,915)
-	-	(14,288)	14,288	-
<b>1,064,570</b>	<b>55,540</b>	<b>699,893</b>	<b>14,288</b>	<b>714,181</b>
566,310	70,315	785,165	(1,044)	784,121
(391,278)	550,437	2,549,536	113	2,549,649
<b>175,032</b>	<b>620,752</b>	<b>3,334,701</b>	<b>(931)</b>	<b>3,333,770</b>

**City of Iowa Falls**

## City of Iowa Falls

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

## Proprietary Fund Type

Year ended June 30, 2002

	<u>Enterprise</u>
Operating revenues:	
Charges for service	\$ 12,591,307
Miscellaneous	460,650
Total operating revenues	<u>13,051,957</u>
Operating expenses:	
Human Development Program:	
Personal services	6,344,351
Contractual services	1,446,090
Commodities	2,404,387
Depreciation	633,454
	<u>10,828,282</u>
Home and Community Environment Program:	
Personal services	533,539
Contractual services	531,845
Commodities	74,357
Capital outlay (non-capitalized)	316,851
Depreciation	295,426
	<u>1,752,018</u>
Total operating expenses	<u>12,580,300</u>
Operating income	<u>471,657</u>
Non-operating revenues (expenses):	
Interest income	129,859
Miscellaneous revenue, primarily donations	101,113
Interest expense	(279,837)
Contribution of property and equipment	27,012
Gain on disposal of property and equipment	501
City's share of net loss of hospital's affiliated organizations	(154,062)
Total non-operating revenues (expenses)	<u>(175,414)</u>
Net income before operating transfers	296,243
Operating transfers in	<u>80,875</u>
Net income	377,118
Retained earnings/fund balance, beginning of year	<u>10,898,502</u>
Retained earnings/fund balance, end of year	<u>\$ 11,275,620</u>

See notes to financial statements.

**Exhibit D**

City of Iowa Falls  
Combined Statement of Cash Flows  
Proprietary Fund Type  
Year ended June 30, 2002

	<u>Enterprise</u>
Cash flows from operating activities:	
Operating income	\$ 471,657
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	928,880
Forgiveness of accounts receivable from affiliated organization	(195,129)
(Increase) in customer accounts receivable and unbilled usage and other accounts receivable	(38,331)
(Increase) in inventories, at cost	(45,070)
Decrease in prepaid items	22,947
Increase in accounts payable, excluding payables for assets capitalized	103,938
Increase in contracts payable	58,964
Increase in accrued liabilities	32,840
(Decrease) in due to other governments	(901)
(Decrease) in third-party payor settlement	<u>(181,945)</u>
Net cash provided by operating activities	<u>1,157,850</u>
Cash flows from non-capital financing activities:	
Advances to other funds, net of advance repayments	90,169
Transfer in	80,875
Contributions	<u>3,000</u>
Net cash provided by non-capital financing activities	<u>174,044</u>
Cash flows from capital and related financing activities:	
Donations restricted by donor for purchases of property and equipment	97,815
Proceeds from sale of property and equipment	3,616
Acquisition of property and equipment	(717,475)
Principal paid on revenue bonds matured	(383,095)
Interest paid on revenue bonds	(272,890)
Principal paid on capital lease	(50,726)
Interest paid on capital lease	(4,734)
Principal paid on bank note	(2,955)
Interest paid on notes payable	<u>(25)</u>
Net cash (used) by capital and related financing activities	<u>(1,330,469)</u>



City of Iowa Falls  
 Combined Statement of Cash Flows  
 Proprietary Fund Type  
 Year ended June 30, 2002

	Enterprise
Cash flows from investing activities:	
Interest on investments	144,995
Decrease in investment in affiliated organization	(27,853)
Proceeds from sale of investments	(129,490)
Net cash (used) by investing activities	(12,348)
Net decrease in cash and cash equivalents	(10,923)
Cash and cash equivalents at beginning of year	2,541,709
Cash and cash equivalents at end of year	\$ 2,530,786
 <b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combining Balance Sheet:</b>	
Current assets:	
Cash and pooled cash investments	\$ 2,534,995
Restricted assets:	
Cash and pooled cash investments	1,671,867
	4,206,862
Less items not meeting the definition of cash equivalent:	
Certificates of deposit	(1,676,076)
Cash and cash equivalents at year end	\$ 2,530,786

See notes to financial statements.

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2002, property and equipment of \$7,562 and \$19,450 were contributed to the Enterprise Funds - Water and Wastewater Accounts, respectively from the Capital Projects Funds - Tax Increment Financing Capital Projects Account.

City of Iowa Falls

Combined Statement of Receipts/Revenues, Disbursements/Expenses  
and Changes in Balances - Actual to Budget  
Primary Government and Discretely Presented Component Unit

Year Ended June 30, 2002

	Funds Budgeted on Cash Basis - Actual		
	Primary Government	Component Unit - Airport Authority	Total
<b>Receipts/Revenues:</b>			
Property tax	\$ 1,467,671	25,020	1,492,691
Tax increment financing revenues	659,518	-	659,518
Other city taxes	548,885	2,459	551,344
Licenses and permits	38,614	-	38,614
Use of money and property	162,834	12,963	175,797
Intergovernmental	1,219,565	-	1,219,565
Charges for service	1,729,206	-	1,729,206
Miscellaneous	587,138	372	587,510
Special assessments	-	-	-
<b>Total receipts/revenues</b>	<b>6,413,431</b>	<b>40,814</b>	<b>6,454,245</b>
<b>Disbursements/Expenses:</b>			
<b>Program:</b>			
Community Protection	1,204,372	-	1,204,372
Human Development	870,752	-	870,752
Home and Community Environment Policy and Administration	4,206,025	55,102	4,261,127
	568,082	-	568,082
<b>Total disbursements/expenses</b>	<b>6,849,231</b>	<b>55,102</b>	<b>6,904,333</b>
Excess (deficiency) of receipts/revenues over (under) disbursements/expenses	(435,800)	(14,288)	(450,088)
Other financing sources, net	780,768	14,288	795,056
Balance beginning of year	4,984,266	-	4,984,266
Balance end of year	\$ 5,329,234	-	5,329,234

See notes to financial statements.

Fund Budgeted on GAAP Basis				Actual as % of Amended Budget
Actual	Total Actual	Budget, as Amended	Variance - Favorable (Unfavorable)	
-	1,492,691	1,460,540	32,151	102%
-	659,518	626,810	32,708	105%
-	551,344	533,068	18,276	103%
-	38,614	42,565	(3,951)	91%
84,004	259,801	266,529	(6,728)	97%
-	1,219,565	2,546,778	(1,327,213)	48%
11,037,637	12,766,843	13,305,125	(538,282)	96%
559,147	1,146,657	135,838	1,010,819	844%
-	-	13,000	(13,000)	
11,680,788	18,135,033	18,930,253	(795,220)	96%
-	1,204,372	1,146,646	(57,726)	105%
11,136,173	12,006,925	12,218,231	211,306	98%
-	4,261,127	6,287,418	2,026,291	68%
-	568,082	1,076,802	508,720	53%
11,136,173	18,040,506	20,729,097	2,688,591	87%
544,615	94,527	(1,798,844)		
-	795,056	641,248		
7,983,877	12,968,143	11,248,971		
8,528,492	13,857,726	10,091,375		

City of Iowa Falls

Notes to Financial Statements

June 30, 2002

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

The City of Iowa Falls is a political subdivision of the State of Iowa located in Hardin County. It was first incorporated in 1869 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council-Manager form of government with the Mayor and Council Members elected on a non-partisan basis. The City of Iowa Falls 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 airport and water, sewer and sanitation utilities.

The financial statements of the City of Iowa Falls 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 government's accounting policies are described below:

A. Reporting Entity

For financial reporting purposes, City of Iowa Falls 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.

Based on the foregoing criteria, the Ellsworth Municipal Hospital is considered to be part of the primary government and, therefore, the financial information is included in the City's financial statements. The financial activities of the Hospital are reflected in this report as an enterprise fund.

Discretely Presented Component Unit

These financial statements present the City of Iowa Falls (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.

The Iowa Falls Municipal 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 five member board appointed by the Iowa Falls City Council. The board members serve at the pleasure of the City. The City annually provides significant operating subsidies to 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.

### Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Hardin County Assessor's Conference Board, Region Six Planning Commission, Region Six Housing Authority, Hardin County Sanitary Solid Waste Disposal Commission, Hardin County Emergency Management Commission, Hardin County E911 Service Board, Mid Iowa Drug Task Force and the NE Iowa Hazardous Materials Response Group.

### 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 balance, revenues and expenditures or expenses. The various funds and account groups and their designated purposes are as follows:

#### Governmental Fund Types

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 utilized to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds. The funds included in this group and their purposes are as follows:

Road Use Tax - Accounts for the state revenue allocated to the City which is used to maintain and improve the City's streets.

Payroll Tax Levy - Accounts for the property tax levied to finance the payment of employee benefits.

Economic Development Loans - Accounts for economic development loans made to businesses operating in the City.

Tax Increment Financing Revenues - Accounts for the proceeds from the tax authorized by ordinance in the urban renewal district used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

Local Option Sales Tax - Accounts for the proceeds from the tax authorized by referendum and used for capital improvements and equipment and community programs and services.

Debt Service Fund - The Debt Service Fund is utilized to account for the accumulation of resources for, and the payment of interest and principal on the City's general obligation 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. Capital projects for enterprise fund activities are accounted for in the capital projects funds when the projects are financed through the issuance of general obligation bonds or notes, intergovernmental revenue, or major private donations. The funds included in this group and their purposes are as follows:

Community Development Block Grant – Accounts for the costs associated with the construction of a family resource center owned and occupied by Mid-Iowa Community Action financed through a community development block grant.

Set Aside – Accounts for various property and equipment purchases and construction and is funded primarily from intergovernmental revenue and interest earned on idle funds.

General Obligation Bond Capital Projects – Accounts for the costs associated with various projects financed by the issuance of general obligation bonds and private donations.

Tax Increment Financing Capital Projects – Accounts for the costs associated with urban renewal redevelopment projects for which a Tax Increment Financing District was established.

#### Proprietary Fund Types

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. The funds included in this group and their purposes are as follows:

Water – Accounts for the operation and maintenance of the City's water system.

Wastewater – Accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

Sanitation – Accounts for the operation and maintenance of the City's solid waste collection system.

Hospital – Accounts for the operation and maintenance of Ellsworth Municipal Hospital.

#### Fiduciary Fund Types

Trust Funds – The Trust Funds are used to account for monies and properties received and held by the City in a trustee capacity. These include expendable trust funds.

Carnegie-Ellsworth Building Endowment – Accounts for any gifts or memorials received by the City which are specifically designated for the Carnegie-Ellsworth Building Endowment Fund.

Carnegie-Ellsworth Building Maintenance – Accounts for expenses related to the preservation and maintenance of the Carnegie-Ellsworth Building.

## Account Groups

General Fixed Assets Account Group – The General Fixed Assets Account Group accounts for all City and Airport Authority general fixed assets, except for infrastructure fixed assets (e.g., streets, bridges, sidewalks, curbs and gutters and storm drainage systems) and property and equipment accounted for in the proprietary fund type operations.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group accounts for all City general obligation long-term debt expected to be financed from governmental fund types.

### 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. Their reported fund equity, net total assets, is segregated into contributed capital and retained earnings components. 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, 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 are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and become measurable and their expenses are recognized when they are incurred.

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 and Pooled Cash Investments - The cash balances of most City funds are pooled and invested in interest-bearing cash accounts or certificates of deposit. Interest on the pooled cash investments is recognized as revenue when earned and allocated to the funds on a systematic basis, or as provided by law. Cash investments are separately held by the Hospital Fund, for which interest is also recognized as revenue when earned. Investments consist of 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 (including restricted assets) 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. Cash investments not meeting the definition of cash equivalents at June 30, 2002 included certificates of deposits of \$1,676,076 with maturity dates longer than three months.

Property Tax Receivable - Property tax in Governmental Funds is 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 the tax asking is certified by the City to the County Board of Supervisors. Current year property taxes receivable represents taxes collected by the County but not remitted to the City at June 30, 2002. The succeeding year property tax receivable represents taxes certified by the City 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 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 current 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 tax asking contained in the budget certified to the County Board of Supervisors in March, 2001.



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

Short-term Interfund Receivables/Payables – Short-term interfund loans are classified as “interfund receivables/payables.”

Advances to Other Funds – Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account for governmental funds which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Due From Other Governments – Due from other governments represents various shared revenues, grants and reimbursements from other governments. Shared revenues are recognized during the period when received by the collecting authority, the State of Iowa. Federal grant revenue is recognized when expenditures for the purpose of the grant have been incurred.

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.

Restricted Assets – Funds set aside for payment of enterprise fund revenue bonds/notes are classified as restricted assets since their use is restricted by applicable bond/note indentures. Other restricted assets include donations restricted for specific purposes and customer deposits restricted for application to unpaid customer accounts or for refund to customers.

### Property and Equipment

#### General Fixed Assets

General fixed assets are recorded as expenditures in the City's Governmental Funds and the Airport Authority 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 Assets 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.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations.

Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and structures	40 to 50 years
Other improvements	20 to 50 years
Vehicles	10 to 15 years
Other equipment	5 to 30 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.

Interest is capitalized on qualified proprietary fund assets acquired with certain tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Interest is not capitalized on assets constructed on behalf of proprietary funds and acquired with tax-exempt debt paid for from annual debt service tax levies. During the year ended June 30, 2002, no interest costs were capitalized since there were no qualifying assets.

Bond Issuance Costs – Bond issuance costs associated with revenue bonds are deferred and amortized over the term of the bonds using the bond outstanding method which approximates the interest method. Unamortized bond issuance costs are presented as other assets.

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 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 payable to employees. For Proprietary Fund types these accumulations are recorded as liabilities and expenses for the year earned. In the Governmental Funds, amounts representing the cost of compensated absences expected to be liquidated currently are recorded as liabilities of the Governmental Fund Types. A

liability has been recorded in the General Long-Term Debt Account Group representing the City's commitment to fund non-current compensated absences. This liability has been computed based on rates of pay in effect at June 30, 2002. These amounts are included in accrued liabilities on the combined balance sheet.

F. Budget and Budgetary Accounting

In accordance with the Code of Iowa, the City Council annually adopts a budget on the program basis following required public notice and hearing for all funds. Program disbursements required to be budgeted include disbursements for the general funds, special revenue funds, debt service fund, capital project funds, proprietary funds and expendable trust funds. Legally adopted budgets may be prepared on a cash basis or on a basis consistent with U.S. generally accepted accounting principles.

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.

Amendments to the budget are considered and reviewed throughout the fiscal year. Amendments are subject to departmental review and by justification to the City Manager. The budget is formally amended by the City Council following the required public notice and hearing. The original budget plus subsequent amendments constitutes the annual appropriated budget. No other appropriations of budget occur. Encumbrances are not recognized and appropriations as adopted and amended lapse at the end of the fiscal year. During the year ended June 30, 2002, the City Council approved two amendments to the budget.

The City of Iowa Falls prepares its budget on the cash basis except for the hospital operations which are budgeted in accordance with U.S. generally accepted accounting principles. Exhibit E is a comparison of the cash basis receipts and disbursements and revenues and expenses of the Hospital Fund with the budget adopted and amended by the City Council.

Operations and ending fund balances on the budgetary and GAAP-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	\$ 1,415,536	29,085	1,444,621	2,021,097	5,537	2,026,634
Expenditures	2,483,424	(2,861)	2,480,563	107,483	10,681	118,164
Net	(1,067,888)	31,946	(1,035,942)	1,913,614	(5,144)	1,908,470
Other financing sources (uses)	1,004,175	(4,880)	999,295	(1,671,464)	(56,730)	(1,728,194)
Beginning fund balances	750,325	(91,086)	659,239	1,464,673	205,401	1,670,074
Ending fund balances	\$ 686,612	(64,020)	622,592	1,706,823	143,527	1,850,350

	Governmental Fund Types					
	Debt Service			Capital Projects		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
Revenues	\$ 282,353	(4,023)	278,330	1,063,846	(14,633)	1,049,213
Expenditures	582,101	-	582,101	1,540,649	6,824	1,547,473
Net	(299,748)	(4,023)	(303,771)	(476,803)	(21,457)	(498,260)
Other financing sources (uses)	308,682	-	308,682	1,009,660	54,910	1,064,570
Beginning fund balances	53,709	7,355	61,064	320,840	(712,118)	(391,278)
Ending fund balances	\$ 62,643	3,332	65,975	853,697	(678,665)	175,032

	Fiduciary Funds			Total Governmental and Fiduciary Fund Types		
	Expendable Trust			Cash Basis	Accrual Adjust-ments	Modified Accrual Basis
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis			
Revenues	\$ 15,523	1,267	16,790	\$ 4,798,355	15,966	4,815,588
Expenditures	2,100	(85)	2,015	4,715,757	14,644	4,730,316
Net	13,423	1,352	14,775	82,598	1,322	85,272
Other financing sources (uses)	(41,328)	96,868	55,540	609,725	(6,700)	699,893
Beginning fund balances	548,282	2,155	550,437	3,137,829	(590,448)	2,549,536
Ending fund balances	\$ 520,377	100,375	620,752	\$ 3,830,152	(595,826)	3,334,701

	Discretely Presented Component Unit			Proprietary Fund Types		
	Cash Basis	Accrual Adjust-ments	Modified Accrual Basis	Enterprise (except Hospital)		
				Cash Basis	Accrual Adjust-ments	Accrual Basis
Revenues	\$ 40,814	(130)	40,684	\$ 1,615,076	14,578	1,629,654
Expenditures/expenses	55,102	914	56,016	2,133,474	(255,448)	1,878,026
Net	(14,288)	(1,044)	(15,332)	(518,398)	270,026	(248,372)
Other financing sources (uses)	14,288	-	14,288	171,043	(90,168)	80,875
Beginning fund balances/ retained earnings	-	113	113	1,846,437	1,068,188	2,914,625
Ending fund balances/ retained earnings	\$ -	(931)	(931)	\$ 1,499,082	1,248,046	2,747,128

#### G. Total (Memorandum Only)

The "Total (Memorandum Only)" columns of the general purpose financial statements are presented for informational purposes only and do not purport to present the financial position or results of operations of the City as a whole 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 Cash 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.

At June 30, 2002, the City's carrying amount of deposits, cash on hand, and related bank balances were as follows:

	Carrying Balance	Bank Balance
Cash on hand	\$ 2,070	-
Demand deposits	842,906	1,094,882
Savings accounts	605,362	627,049
Time certificates	<u>6,586,676</u>	<u>6,586,676</u>
Total	<u>\$ 8,037,014</u>	<u>8,308,607</u>

The City had no investments meeting the disclosure requirements of Governmental Accounting Standard Board Statement Number 3.

**(3) Allowances for Collection Losses**

Allowances have been made for estimated collection losses on the following receivable amounts:

	Gross Receivables	Allowance For Collection Losses	Net Receivables
Customer accounts, Hospital Fund	<u>\$ 3,230,323</u>	<u>931,568</u>	<u>2,298,755</u>

**(4) General Fixed Assets**

A summary of changes in the general fixed assets account group during the year ended June 30, 2002 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
By type:				
Land	\$ 911,838	-	-	911,838
Buildings and structures	2,800,007	3,620	72,237	2,731,390
Other improvements	2,967,929	7,523	-	2,975,452
Equipment and vehicles	2,137,731	241,698	175,724	2,203,705
Construction in progress	<u>18,807</u>	<u>399,612</u>	<u>-</u>	<u>418,419</u>
Total	<u>\$ 8,836,312</u>	<u>652,453</u>	<u>247,961</u>	<u>9,240,804</u>

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
By funding source:				
General Fund	\$ 2,620,585	242,558	240,796	2,622,347
Local option sales tax	37,711	-	-	37,711
Gifts	245,505	2,420	1,845	246,080
General obligation bonds	5,424,987	1,110	5,320	5,420,777
Tax increment financing revenues	498,358	399,612	-	897,970
Other governments	9,166	6,753	-	15,919
<b>Total</b>	<b>\$ 8,836,312</b>	<b>652,453</b>	<b>247,961</b>	<b>9,240,804</b>

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
By program:				
Community protection	\$ 994,595	166,704	47,597	1,113,702
Human development	6,408,098	34,861	57,976	6,384,983
Home and community environment	1,180,249	144,271	141,774	1,182,746
Policy and administration	253,370	306,617	614	559,373
<b>Total</b>	<b>\$ 8,836,312</b>	<b>652,453</b>	<b>247,961</b>	<b>9,240,804</b>

Composition of General Fixed Assets By Type and Program as of June 30, 2002						
	Land	Build- ings	Other Improve- ments	Equipment and Vehicles	Construc- tion in Progress	Total
Community protection	\$ 44,500	62,762	15,000	917,106	74,334	1,113,702
Human development	707,988	2,374,714	2,920,942	381,339	-	6,384,983
Home and community environment	118,950	167,364	25,126	833,838	37,468	1,182,746
Policy and administration	40,400	126,550	14,384	71,422	306,617	559,373
<b>Total general fixed assets</b>	<b>\$ 911,838</b>	<b>2,731,390</b>	<b>2,975,452</b>	<b>2,203,705</b>	<b>418,419</b>	<b>9,240,804</b>

## (5) Long-Term Debt

### Bonded Debt

#### General obligation bonds/notes:

Seven issues of unmatured general obligation bonds/notes, totaling \$3,475,000, are outstanding at June 30, 2002. General obligation bonds/notes bear interest with rates ranging from 2.45% to 5.40% and mature in varying annual amounts ranging from \$45,000 to \$215,000, with the final maturities due in the year ending June 30, 2014.

Revenue bonds/notes:

Two issues of unmatured revenue bonds/notes, totaling \$5,529,836, are outstanding at June 30, 2002. These bonds/notes bear interest at rates of 4.19% to 5.00% and mature in varying annual amounts ranging from \$153,000 to \$265,873 with the final maturities due in the year ending June 30, 2016.

The resolutions providing for the issuance of the revenue bonds/notes include the following provisions:

- (a) The bonds/notes will only be redeemed from the future earnings of the enterprise activity and the bond/note holders hold a lien on the future earnings of the funds.
- (b) Sufficient monthly transfers shall be made to separate wastewater and hospital bond/note and interest sinking funds for the purpose of making the bond/note principal and interest payments when due.
- (c) Additional monthly transfers shall be made to separate wastewater and hospital debt service reserve funds until specific minimum balances have been accumulated. These accounts are restricted for the purpose of paying bond/note principal and interest payments due when insufficient money is available in the sinking funds.
- (d) Additional monthly transfers of \$2,000 to the wastewater improvement and replacement funds shall be made until specific minimum balances have been accumulated. These accounts are restricted for the purpose of paying for any additional improvements, extensions or repairs to the system.
- (e) User rates shall be established at a level which produces and maintains net revenues at a level not less than 110% of the amount of principal and interest on the bonds/notes falling due in the same year.

During the year ended June 30, 2002, the City was in compliance with the revenue bond/note provisions.

Details of bonds/notes payable at June 30, 2002 are as follows:

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding Jun 30, 2002
General Obligation Bonds/Notes:						
General and essential corporate purpose						
Capital loan notes	Aug 1, 1993	4.40-4.75%	Jun 1, 2004	\$ 35,000-50,000	430,000	100,000
Capital loan notes	Jul 1, 1997	4.20-4.65%	Jun 1, 2003	45,000-55,000	250,000	55,000
Capital loan notes	Jul 1, 1998	4.05-4.125%	Jun 1, 2004	55,000-65,000	300,000	125,000
Capital loan notes	Jul 1, 1999	4.25-4.65%	Jun 1, 2005	50,000-60,000	270,000	170,000
Corporate purpose	Jul 1, 1999	4.80-5.00%	Jun 1, 2014	120,000-215,000	2,400,000	2,035,000
Capital loan notes	Jul 1, 2000	5.15-5.40%	Jun 1, 2006	40,000-50,000	230,000	190,000
Capital loan notes	Oct 15, 2001	2.45-4.00%	Jun 1, 2009	100,000-130,000	800,000	800,000
Total General Obligation Bonds/Notes						<u>3,475,000</u>

	Date of Issue	Interest Rates	Final Due Date	Annual Payments	Amount Originally Issued	Outstanding Jun 30, 2002
Revenue Bonds/Notes:						
Wastewater revenue capital loan notes:						
Series 1996	Feb 16, 1996	4.19%	Jun 1, 2016	156,000-261,000	4,745,000	2,837,000
Hospital Revenue Bond						
Series 1998	Nov 1, 1998	5.00%	Jun 1, 2015	10,810-264,770	3,000,000	<u>2,692,836</u>
Total Revenue Bonds/Notes						<u>5,529,836</u>
Total						<u>\$ 9,004,836</u>

A summary of the annual bond/note principal and interest requirements to maturity by type of bond/note is as follows:

Year Ending June 30,	General Obligation		
	Principal	Interest	Total
2003	495,000	155,460	650,460
2004	460,000	134,665	594,665
2005	365,000	115,084	480,084
2006	315,000	99,329	414,329
2007	275,000	85,634	360,634
2008	285,000	73,994	358,994
2009	300,000	61,574	361,574
2010	180,000	48,214	228,214
2011	185,000	39,574	224,574
2012	195,000	30,555	225,555
2013	205,000	21,000	226,000
2014	215,000	10,750	225,750
Total	<u>\$ 3,475,000</u>	<u>875,833</u>	<u>4,350,833</u>

Year Ending June 30,	Revenue			Total
	Principal	Interest	Total	
2003	306,571	250,024	556,595	1,207,055
2004	321,428	235,757	557,185	1,151,850
2005	335,687	220,794	556,481	1,036,565
2006	351,368	205,157	556,525	970,854
2007	367,494	188,782	556,276	916,910
2008	385,086	171,648	556,734	915,728
2009	403,170	153,687	556,857	918,431
2010	421,769	134,876	556,645	784,859
2011	441,911	115,187	557,098	781,672
2012	461,622	94,551	556,173	781,728
2013	483,933	72,980	556,913	782,913
2014	505,873	50,361	556,234	781,984
2015	482,924	26,801	509,725	509,725
2016	261,000	10,936	271,936	271,936
Total	<u>\$ 5,529,836</u>	<u>1,931,541</u>	<u>7,461,377</u>	<u>11,812,210</u>



As of June 30, 2002, the general obligation debt issued by the City did not exceed its legal debt margin computed as follows:

Actual valuation	<u>\$ 173,623,236</u>
Debt limit – 5% of total actual valuation	\$ 8,681,162
Debt applicable to debt limit:	
General obligation bonded debt outstanding	<u>3,475,000</u>
Legal debt margin	<u>\$ 5,206,162</u>

#### Other Than Bonded Debt

As of June 30, 2002, this debt consisted of the following:

In September, 1995, the City entered into a lease-purchase agreement with Norwest Investment Services, Inc. on behalf of Ellsworth Municipal Hospital for energy management improvements. The lease is for seven years, has an effective interest rate of 7.28% and provides for semi-annual payments of \$27,730.

The above lease is payable solely from net revenues of the hospital and does not constitute a liability of the City. The following is a schedule of future minimum lease payments and the present value of net minimum lease payments under the agreement:

Year Ending June 30,	Amount
2003	\$ 27,730
Less amounts representing interest	<u>(974)</u>
Present value of net minimum lease payments	<u>\$ 26,756</u>

Payments under the above agreement during the year ended June 30, 2002 totaled \$55,460.

#### Changes in Long-Term Debt

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

	Balance Beginning of Year	Additions	Retirements	Balance End of Year
Reported in the General Long-Term Debt Account Group:				
General obligation bonds/notes:				
General and corporate purpose	\$ 3,090,000	800,000	415,000	3,475,000
Compensated absences	117,608	29,116	-	146,724
Total	<u>\$ 3,207,608</u>	<u>829,116</u>	<u>415,000</u>	<u>3,621,724</u>

	Balance Beginning of Year	Additions	Retirements	Balance End of Year
Reported in the Proprietary Fund				
Type - Enterprise Funds:				
Revenue bonds/notes:				
Hospital	\$ 90,000	-	90,000	-
Wastewater	2,984,000	-	147,000	2,837,000
Hospital	2,838,931	-	146,095	2,692,836
Notes payable	2,955	-	2,955	-
Capital lease obligations:				
Energy Management Improvements	77,482	-	50,726	26,756
	<u>\$ 5,993,368</u>	<u>-</u>	<u>436,776</u>	<u>5,556,592</u>

The aggregate future requirements for payment of long-term debt for the enterprise funds are as follows:

Year Ending June 30,	Revenue Bonds/ Notes	Capital Lease Contracts	Total
2003	\$ 556,595	27,730	584,325
2004	557,185	-	557,185
2005	556,481	-	556,481
2006	556,525	-	556,525
2007-2016	5,234,591	-	5,234,591
Total of payments	7,461,377	27,730	7,489,107
Less interest portion	(1,931,541)	(974)	(1,932,515)
Principal outstanding	<u>\$ 5,529,836</u>	<u>26,756</u>	<u>5,556,592</u>

#### (6) Pension and Retirement Benefits

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

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 \$410,298, \$391,314, and \$364,140, respectively, equal to the required contributions for each year.

#### (7) Economic Development Loans Receivable

The City has various long-term loans receivable totaling \$416,382 as of June 30, 2002 due from businesses located in Iowa Falls. The loans were financed with the proceeds of two U.S. Department of Housing and Urban Development Action Grants and one Community Development Block Grant.

The first loan of \$58,619 as of June 30, 2002 requires monthly payments of \$736, including interest at 3%, until November 1, 2004, at which time a balloon payment is due. This loan is collateralized by a second mortgage on all real estate of the business.

A second loan of \$4,311 as of June 30, 2002 requires monthly payments of \$183, including interest at 3%, until June 1, 2004. This loan is collateralized by a second mortgage on all real estate of the business.

A third loan of \$10,569 as of June 30, 2002 requires monthly payments of \$719, including interest at 3%, until September 3, 2003. This loan is collateralized by a second mortgage on all real estate of the business.

A fourth loan of \$140,445 as of June 30, 2002 is being paid off by tax increment financing revenues. In December 1995, the City declared by resolution the defaulted loan of \$224,580 a qualifying TIF expense. Interest accrues on the unpaid balance at 6% over the period of time for which the principal is unpaid. The unpaid balance and accrued interest will be paid off as tax increment financing revenues are available.

A fifth loan of \$9,520 as of June 30, 2002 requires monthly payments of \$174, including interest at 3%, until May 1, 2007. This loan is secured by a second security interest in the equipment, machinery and general business assets of the business.

A sixth loan of \$16,258 as of June 30, 2002 requires monthly payments of \$309, including interest at 3%, until May 1, 2007. This loan is secured by a second security interest in the equipment, machinery and general business assets of the business.

A seventh loan of \$1,499 as of June 30, 2002 requires monthly payments of \$505, including interest at 6%, until September 30, 2002. This loan is secured by a second security interest in equipment, fixtures, inventory, and general business assets of the business.

An eighth loan of \$41,161 as of June 30, 2002 requires monthly payments of \$483, including interest at 3%, until June 1, 2006, at which time a balloon payment is due. This loan is secured by a first mortgage agreement on all land and buildings on all real estate of the business.

A ninth loan of \$40,000 as of June 30, 2002 requires annual payments of \$10,000, plus interest at 3%, until March 1, 2006. The loan is secured by assignment contract and mortgage.

A tenth loan of \$50,000 as of June 30, 2002 requires monthly payments of \$898, including interest at 3%, until July 1, 2007. This loan is collateralized by a lien on the real estate and a subordinate security interest in the equipment and machinery of the business.

An eleventh loan of \$44,000 as of June 30, 2002 was made to Iowa Falls Area Development Corporation to secure a letter of credit. A certificate of deposit was purchased for the letter of credit. The loan is due in ten years and pays interest at the same rate that the certificate of deposit earns.

#### **(8) Industrial Development Revenue Bonds**

The City has issued a total of \$21,725,000 of industrial development revenue bonds under the provisions of Chapter 419 of the Code of Iowa, of which \$8,577,020 is outstanding at June 30, 2002. The bonds and related interest are payable solely from the rents payable by tenants of the properties constructed, and the bond principal and interest do not constitute liabilities of the City.

**(9) Interfund Assets/Liabilities**

Due To/Due from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue – Payroll Tax Levy	General	<u>\$ 31,557</u>

Interfund Receivable/Payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue – Economic Development Loans	Special Revenue – Tax Increment Financing Revenues	92,049
Enterprise - Water	Capital Projects – Tax Increment Financing Capital Projects	18,313
Enterprise – Wastewater	Capital Projects – Tax Increment Financing Capital Projects	72,000
Expendable Trust - Carnegie-Ellsworth Building Maintenance	Capital Projects – Tax Increment Financing Capital Projects	213,294
	Special Revenue – Tax Increment Financing Revenue	<u>825</u>
		<u>\$ 396,481</u>

Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects – Tax Increment Financing Capital Projects	\$ 598
Special Revenue – Economic Development Loans	Special Revenue – Tax Increment Financing Revenues	28,974
Special Revenue – Local Option Sales Tax	Capital Projects – General Obligation Bonds Capital Projects	102,520
Capital Projects – General Obligation Bonds Capital Projects	Capital Projects – Tax Increment Financing Capital Projects	245,453
Enterprise – Water	Capital Projects – Tax Increment Financing Capital Projects	40,519
Enterprise – Wastewater	Capital Projects – Tax Increment Financing Capital Projects	1,170
Expendable Trust – Carnegie- Ellsworth Building Endowment	Special Revenue – Tax Increment Financing Revenue	<u>98,291</u>
		<u>\$ 517,525</u>

**(10) Deficit Equity Balances**

As of June 30, 2002, the funds with a deficit fund balance were as follows:

Special Revenue Fund – Tax Increment Financing  
Revenues Account \$ 210,272

This deficit fund balance is a result of transferring funds to the Debt Service Fund and the Capital Projects Fund – Tax Increment Financing Capital Projects Account in excess of available funds. This deficit will be eliminated upon collection of tax increment financing revenues.

Capital Projects fund – Tax Increment Financing  
Capital Projects Account \$ 816,308

This deficit fund balance is a result of project costs exceeding available funds and will be eliminated through transfers from other funds.

Component Unit - Airport Authority \$ 931

This deficit fund balance is a result of obligations incurred during fiscal year ended June 30, 2002 and paid in July 2002.

**(11) Joint Financing Agreement**

The City is a member of the Hardin County Solid Waste Disposal Commission. The Hardin County Solid Waste Disposal Commission entered into a 28E agreement with Butler County Solid Waste Commission and Wright County Area Landfill Authority which established the Rural Iowa Waste Management Association (Association). During the year ended June 30, 1996, the Rural Iowa Waste Management Association issued \$830,000 of Solid Waste Revenue Bonds pursuant to Chapter 28F.9 of the Code of Iowa. The principal and interest on the bonds are payable solely from and secured by the net revenues of the facilities operated by the Association. The balance outstanding at June 30, 2002 is \$640,000.

**(12) Risk Management**

The City of Iowa Falls and the Ellsworth Municipal Hospital are exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for and deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(13) Segment Information for Enterprise Funds**

The City maintains four enterprise funds, which provide water, wastewater, sanitation and hospital services. 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:

	Water	Waste-water	Sanita-tion	Hospital	Total
Results of operations:					
Operating revenues	\$ 477,627	610,586	468,046	11,495,698	13,051,957
Operating expenses:					
Depreciation	67,187	195,544	32,695	633,454	928,880
Other	593,248	324,599	538,745	10,194,828	11,651,420
Operating income (loss)	(182,808)	90,443	(103,394)	667,416	471,657
Non-operating income (expense)	25,915	(80,343)	1,815	(122,801)	(175,414)
Net income (loss)	(156,893)	10,100	(101,579)	544,615	296,243
Financial position:					
Total assets	2,777,230	6,801,650	347,050	12,289,119	22,215,049
Net working capital	484,968	867,348	102,497	3,171,391	4,626,204
Property and equipment, net	2,150,059	5,467,195	210,250	6,418,237	26,841,253
Property and equipment:					
Additions	463,991	19,450	453	281,920	765,814
Deletions	5,799	2,920	-	157,896	166,615
Bond/note and other long-term contract debt payable from operating revenues	-	2,837,000	-	2,719,592	5,556,592
Retained earnings/fund balance	847,568	1,629,778	269,782	8,528,492	11,275,620
Contributed capital	1,827,978	2,271,135	42,965	-	4,142,078
Total fund equity	\$2,675,546	3,900,913	312,747	8,528,492	15,417,698

**(14) Hospital Affiliated Organizations**

Iowa Falls Clinic

During 1998, the Ellsworth Municipal Hospital entered into a joint venture agreement with North Iowa Mercy Health Center for the formation of Iowa Falls Clinic (the Clinic). The Clinic provides, develops, and coordinates all clinical medical services to residents, visitors and employees of Hardin County and the surrounding area.

The Hospital is a 50% owner of this Clinic and shares 50% of income or losses from the Clinic operations. The Hospital recognized its share of the joint venture's loss of \$146,133 for the year ended June 30, 2002 in non-operating expenses.

The Hospital provides space and contracted services for the daily operations of the Clinic. Total receipts for rent revenue and contracted services for the year ended June 30, 2002 were approximately \$964,000. During the year, the Hospital forgave accounts receivable from the clinic totaling \$195,129. As of June 30, 2002, the Hospital recorded a receivable from the clinic of \$43,424 relating to these services.

Summarized financial information from the financial statements of Iowa Falls Clinic as of and for the year ended June 30, 2002 is as follows:

Assets	<u>\$ 638,240</u>
Liabilities	\$ 115,192
Fund Balance	<u>523,048</u>
Total Liabilities and Fund Balance	<u>\$ 638,240</u>
Net Revenues	<u>\$ 2,291,619</u>
Net Loss	<u>\$ (292,267)</u>

Greenbelt Home Care

During 1999, the Ellsworth Municipal Hospital entered into a joint venture with Greenbelt Home Care as a 16.16% partner, and shares income or loss in this percentage. During the year ended June 30, 2001, the ownership share of one of the partners was dissolved and assumed by the remaining partners. As a result, the Hospital's ownership in Greenbelt Home Care was 20% at June 30, 2002. The Hospital recognized its share of the joint venture's loss of \$39,645 for the year ended June 30, 2002 in non-operating expenses.

**(15) Commitments**

The City has entered into construction contracts totaling \$2,866,802 for two street construction projects, renovation of Carnegie Library and construction of a fire station. As of June 30, 2002, costs of \$677,195 had been incurred on the projects. The remaining \$2,189,607 will be paid as work on the projects progress.

The City has entered into a service contract totaling \$131,250 for map projects. As of June 30, 2002, costs incurred on the project were \$80,000. The remaining \$51,250 will be paid as work on the project progresses.

**(16) Subsequent Event**

In October 2002, the City issued \$265,000 of general obligation bonds to pay the costs of street improvements. The bonds are payable from a continuing annual levy of taxes against all taxable property of the City.

**(17) 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 Iowa Falls**

## **General Fund**

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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.

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**City of Iowa Falls**

## City of Iowa Falls

## Balance Sheet

## General Fund

June 30, 2002

**Assets**

Cash and pooled cash investments	\$ 686,612
Receivables:	
Property tax:	
Delinquent	10,714
Succeeding year	770,000
Accrued interest	1,712
Other	11,835
Due from other governments	62,104
Advance to other funds	<u>598</u>
<b>Total assets</b>	<b><u><u>\$ 1,543,575</u></u></b>

**Liabilities and Fund Equity**

Liabilities:	
Accounts payable	\$ 59,888
Accrued liabilities	54,806
Deferred revenue:	
Succeeding year property tax	770,000
Other	2,889
Due to other funds	31,557
Due to other governments	<u>1,843</u>
Total liabilities	<u>920,983</u>
Fund equity:	
Fund balance:	
Reserved for advance to other funds	598
Unreserved:	
Designated for future equipment purchases/capital improvements	112,905
Designated for library gifts and memorials	16,851
Designated for park gifts and memorials	5,302
Undesignated	<u>486,936</u>
Total fund equity	<u>622,592</u>
<b>Total liabilities and fund equity</b>	<b><u><u>\$ 1,543,575</u></u></b>

See accompanying independent auditor's report.

**Schedule 2**

City of Iowa Falls  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
General Fund  
Year ended June 30, 2002

Revenues:		
Property tax		\$ 812,936
Other City tax:		
Utility tax replacement excise tax	\$ 79,653	
Utility franchise tax	<u>8,766</u>	88,419
Licenses and permits		38,335
Use of money and property:		
Interest on investments	17,043	
Miscellaneous	<u>5,164</u>	22,207
Intergovernmental:		
State allocation	86,091	
County library	23,620	
Bank franchise tax	16,809	
Street maintenance reimbursement	6,388	
Library open access grant	6,272	
Township fire contribution	9,566	
Miscellaneous	<u>5,266</u>	154,012
Charges for service:		
Swimming pool fees	111,841	
Recreation	28,994	
Police department	13,502	
Street department	9,746	
Miscellaneous	<u>4,390</u>	168,473
Miscellaneous:		
Fines and forfeitures	42,797	
Refunds and reimbursements	18,143	
Donations	12,207	
Miscellaneous	<u>87,092</u>	160,239
Total revenues		<u>1,444,621</u>
Expenditures:		
Community Protection Program:		
Current operating expenditures	1,017,062	
Capital outlay	<u>73,420</u>	1,090,482

## City of Iowa Falls

Statement of Revenues, Expenditures and  
Changes in Fund Balance

## General Fund

Year ended June 30, 2002

Expenditures (continued):		
Human Development Program:		
Current operating expenditures	546,635	
Capital outlay	<u>89,266</u>	635,901
Home and Community Environment Program:		
Current operating expenditures	342,610	
Capital outlay	<u>78,600</u>	421,210
Policy and Administration Program:		
Current operating expenditures	330,223	
Capital outlay	<u>2,747</u>	332,970
Total expenditures		<u>2,480,563</u>
Deficiency of revenues under expenditures		(1,035,942)
Other financing sources (uses):		
Operating transfers in (out):		
Special Revenue:		
Road Use Tax	415,947	
Payroll Tax Levy	437,877	
Local Option Sales Tax	64,865	
Capital Projects:		
Set Aside	3,414	
General Obligation Bond Capital Projects	91,480	
Transfers to component unit	<u>(14,288)</u>	<u>999,295</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses		(36,647)
Fund balance beginning of year		<u>659,239</u>
Fund balance end of year		<u><u>\$ 622,592</u></u>

See accompanying independent auditor's report.

**Schedule 3**

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City of Iowa Falls  
Statement of Expenditures  
General Fund  
Year ended June 30, 2002

## Community Protection Program:

## Police:

Personal services	\$ 743,641
Contractual services	81,758
Commodities	30,070
Capital outlay	64,764
	<u>920,233</u>

## Fire:

Personal services	39,352
Contractual services	24,578
Commodities	11,305
Capital outlay	8,656
	<u>83,891</u>

## Traffic Control:

Personal services	4,797
Contractual services	80,823
Commodities	738
	<u>86,358</u>

\$ 1,090,482

## Human Development Program:

## Library:

Personal services	140,705
Contractual services	36,380
Commodities	4,561
Capital outlay	71,879
	<u>253,525</u>

## Park:

Personal services	65,325
Contractual services	38,706
Commodities	6,716
Capital outlay	15,037
	<u>125,784</u>

## Recreation Division:

Personal services	58,058
Contractual services	13,379
Commodities	7,574
Capital outlay	1,350
	<u>80,361</u>

## Swimming Pool:

Personal services	81,308
Contractual services	68,049
Commodities	25,874
Capital outlay	1,000
	<u>176,231</u>

635,901



City of Iowa Falls  
Statement of Expenditures  
General Fund  
Year ended June 30, 2002

## Home and Community Environment Program:

## Street:

Personal services	206,171	
Contractual services	36,047	
Commodities	63,926	
Capital outlay	78,600	
	<u>384,744</u>	

## Snow and Ice Control:

Personal services	9,299	
Contractual services	4,922	
Commodities	22,245	
	<u>36,466</u>	421,210

## Policy and Administration Program:

## Building and Zoning:

Personal services	47,177	
Contractual services	7,765	
Commodities	697	
Capital outlay	-	
	<u>55,639</u>	

## Administration and Finance:

Personal services	172,030	
Contractual services	98,834	
Commodities	3,720	
Capital outlay	2,747	
	<u>277,331</u>	<u>332,970</u>

Total

\$ 2,480,563

See accompanying independent auditor's report.

**City of Iowa Falls**

## **Special Revenue Funds**

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

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Road Use Tax - Accounts for the state revenue allocated to the City which is used to maintain and improve the City's streets.

Payroll Tax Levy - Accounts for the property tax levied to finance the payment of employee benefits.

Economic Development Loans - Accounts for economic development loans made to businesses operating in the City and to other City funds.

Tax Increment Financing Revenues - Accounts for the proceeds from the tax authorized by ordinance in the urban renewal district used to pay the principal and interest on the general obligation capital loan notes and other indebtedness incurred for urban renewal redevelopment projects.

Local Option Sales Tax - Accounts for the proceeds from the tax authorized by referendum and used for capital improvements and equipment and community programs and services.

Volunteer Fire Department - Accounts for proceeds from fundraisers used to support the operations of the Iowa Falls Volunteer Fire Department.

City of Iowa Falls  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2002

		Road Use Tax	Payroll Tax Levy
<b>Assets</b>			
Cash and pooled cash investments	\$	-	37,171
Receivables:			
Property tax:			
Delinquent		-	5,260
Succeeding year		-	369,000
Tax increment financing revenues:			
Delinquent		-	-
Succeeding year		-	-
Accrued interest		-	-
Economic development loans		-	-
Due from other governments		35,296	-
Due from other funds		-	31,557
Interfund receivable		-	-
Advance to other funds		-	-
		\$ 35,296	442,988
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$	-	-
Deferred revenue:			
Succeeding year property tax		-	369,000
Succeeding year tax increment financing revenues		-	-
Other		-	264
Interfund payable		-	-
Advance from other funds		-	-
Total liabilities		-	369,264
Fund equity (deficit):			
Fund balances (deficit):			
Reserved for advance to other funds		-	-
Unreserved, undesignated (deficit)		35,296	73,724
Total fund equity (deficit)		35,296	73,724
<b>Total liabilities and fund equity</b>		<b>\$ 35,296</b>	<b>442,988</b>

See accompanying independent auditor's report.

Economic Development Loans	Tax Increment Financing Revenues	Local Option Sales Tax	Volunteer Fire Department	Total
766,727	-	885,411	17,514	1,706,823
-	-	-	-	5,260
-	-	-	-	369,000
-	11,043	-	-	11,043
-	675,000	-	-	675,000
4,522	-	2,212	-	6,734
416,382	-	-	-	416,382
-	-	35,996	-	71,292
-	-	-	-	31,557
110,362	-	-	-	110,362
28,974	-	102,520	-	131,494
<b>1,326,967</b>	<b>686,043</b>	<b>1,026,139</b>	<b>17,514</b>	<b>3,534,947</b>
30	-	-	-	30
-	-	-	-	369,000
-	675,000	-	-	675,000
418,988	1,176	-	-	420,428
-	92,874	-	-	92,874
-	127,265	-	-	127,265
<b>419,018</b>	<b>896,315</b>	-	-	<b>1,684,597</b>
28,974	-	102,520	-	131,494
878,975	(210,272)	923,619	17,514	1,718,856
907,949	(210,272)	1,026,139	17,514	1,850,350
<b>1,326,967</b>	<b>686,043</b>	<b>1,026,139</b>	<b>17,514</b>	<b>3,534,947</b>

City of Iowa Falls

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficit)

Special Revenue Funds

Year ended June 30, 2002

	Road Use Tax	Payroll Tax Levy
<b>Revenues:</b>		
Property tax	\$ -	398,207
Tax increment financing revenues	-	-
<b>Other City tax:</b>		
Utility tax replacement excise tax	-	39,271
Local option sales tax	-	-
	-	39,271
<b>Use of money and property:</b>		
Interest on investments	-	-
Interest on economic development loans	-	-
Interest on loans to other funds	-	-
	-	-
<b>Intergovernmental:</b>		
Road use tax allocation	420,292	-
<b>Miscellaneous:</b>		
Economic development loan principal repayments	-	-
Miscellaneous	-	-
	-	-
<b>Total revenues</b>	<b>420,292</b>	<b>437,478</b>
<b>Expenditures:</b>		
<b>Community Protection Program:</b>		
Commodities	-	-
<b>Home and Community Environment Program:</b>		
Contractual services	-	-
Capital outlay	-	-
	-	-

Economic Development Loans	Tax Increment Financing Revenues	Local Option Sales Tax	Volunteer Fire Department	Total
-	-	-	-	398,207
-	655,491	-	-	655,491
-	-	-	-	39,271
-	-	368,115	-	368,115
-	-	368,115	-	407,386
17,516	-	21,488	-	39,004
6,235	-	-	-	6,235
8,401	-	-	-	8,401
32,152	-	21,488	-	53,640
-	-	-	-	420,292
37,007	-	-	-	37,007
-	-	23,898	30,713	54,611
37,007	-	23,898	30,713	91,618
69,159	655,491	413,501	30,713	2,026,634
-	-	-	13,199	13,199
293	-	-	-	293
94,021	-	-	-	94,021
94,314	-	-	-	94,314

City of Iowa Falls

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficit)

Special Revenue Funds

Year ended June 30, 2002

	Road Use Tax	Payroll Tax Levy
Expenditures (continued):		
Policy and Administration Program:		
Debt service:		
Interest	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	420,292	437,478
Other financing sources (uses):		
Operating transfers in (out):		
General	(415,947)	(437,877)
Special Revenue:		
Economic Development Loans	-	-
Tax Increment Financing Revenues	-	-
Debt Service	-	-
Capital Projects:		
Local Option Sales Tax	-	-
Tax Increment Financing Capital Projects	-	-
Total other financing sources (uses)	(415,947)	(437,877)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,345	(399)
Fund balances (deficit) beginning of year	30,951	74,123
Fund balances (deficit) end of year	\$ 35,296	73,724

See accompanying independent auditor's report.



Economic Development Loans	Tax Increment Financing Revenues	Local Option Sales Tax	Volunteer Fire Department	Total
-	10,651	-	-	10,651
94,314	10,651	-	13,199	118,164
(25,155)	644,840	413,501	17,514	1,908,470
-	-	(64,865)	-	(918,689)
-	(60,184)	-	-	(60,184)
60,184	-	-	-	60,184
-	(78,528)	(230,154)	-	(308,682)
-	-	18,807	-	18,807
-	(519,630)	-	-	(519,630)
60,184	(658,342)	(276,212)	-	(1,728,194)
35,029	(13,502)	137,289	17,514	180,276
872,920	(196,770)	888,850	-	1,670,074
907,949	(210,272)	1,026,139	17,514	1,850,350

**City of Iowa Falls**

### **Debt Service Fund**

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

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**Schedule 6**

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City of Iowa Falls  
Balance Sheet  
Debt Service Fund  
June 30, 2002

**Assets**

Cash and pooled cash investments	\$ 62,643
Receivables:	
Property tax:	
Delinquent	3,334
Succeeding year	253,000
Accrued interest	<u>157</u>
<b>Total assets</b>	<b><u><u>\$ 319,134</u></u></b>

**Liabilities and Fund Equity**

Liabilities:	
Deferred revenue:	
Succeeding year property tax	\$ 253,000
Other	<u>159</u>
Total liabilities	253,159
Fund equity:	
Fund balance:	
Reserved for debt service	<u>65,975</u>
<b>Total liabilities and fund equity</b>	<b><u><u>\$ 319,134</u></u></b>

See accompanying independent auditor's report.

## City of Iowa Falls

## Statement of Revenues, Expenditures and Changes in Fund Balance

## Debt Service Fund

Year ended June 30, 2002

Revenues:		
Property tax		\$ 254,460
Other city tax:		
Utility tax replacement excise tax		19,533
Use of money and property:		
Interest on investments		3,235
Miscellaneous:		
Accrued interest on bond/note sale		1,102
Total revenues		<u>278,330</u>
Expenditures:		
Debt Service:		
Human Development Program:		
Principal	\$ 125,000	
Interest and other fiscal charges	<u>105,154</u>	230,154
Home and Community Environment Program:		
Principal	290,000	
Interest and other fiscal charges	<u>61,947</u>	<u>351,947</u>
		<u>582,101</u>
Deficiency of revenues under expenditures		(303,771)
Other financing sources:		
Operating transfers in:		
Special Revenue:		
Tax Increment Financing Revenues	78,528	
Local Option Sales Tax	<u>230,154</u>	<u>308,682</u>
Excess of revenues and other financing sources over expenditures		4,911
Fund balance beginning of year		<u>61,064</u>
Fund balance end of year		<u>\$ 65,975</u>

See accompanying independent auditor's report.

**City of Iowa Falls**

## **Capital Projects Funds**

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

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Community Development Block Grant - Accounts for the costs associated with miscellaneous projects largely financed with federal grant proceeds.

Set Aside - Accounts for various property and equipment purchases and construction and is funded primarily from interest earned on idle funds and operating transfers in.

General Obligation Bond Capital Projects - Accounts for the costs associated with various street, traffic control, airport, park, library, storm sewer, water and sewer projects financed by the issuance of general obligation bonds/notes, donations and transfers from other funds.

Tax Increment Financing Capital Projects - Accounts for the costs associated with urban renewal redevelopment projects for which a Tax Increment Financing District was established.

City of Iowa Falls  
 Combining Balance Sheet  
 Capital Projects Funds  
 June 30, 2002

	Community Development Block Grant
<b>Assets</b>	
Cash and pooled cash investments	\$ 14,766
Accrued interest receivable	-
Accounts receivable	-
Due from other governments	-
Advance to other fund	-
	-
<b>Total assets</b>	<b>\$ 14,766</b>
<b>Liabilities and Fund Equity</b>	
Liabilities:	
Accounts payable	\$ -
Contracts payable	-
Deferred revenue	-
Interfund payable	-
Advance from other funds	-
Total liabilities	-
Fund equity (deficit):	
Fund balances (deficit):	
Reserved for advance to other funds	-
Unreserved, undesignated (deficit)	14,766
	14,766
<b>Total liabilities and fund equity</b>	<b>\$ 14,766</b>

See accompanying independent auditor's report.



Set Aside	General Obligation Bond Capital Projects	Tax Increment Financing Capital Projects	Total
28,624	810,307	-	853,697
72	2,025	-	2,097
-	-	2,189	2,189
-	-	4,283	4,283
-	245,453	-	245,453
<b>28,696</b>	<b>1,057,785</b>	<b>6,472</b>	<b>1,107,719</b>
-	1,887	14,825	16,712
-	5,500	214,419	219,919
-	-	2,189	2,189
-	-	303,607	303,607
-	102,520	287,740	390,260
-	109,907	822,780	932,687
-	245,453	-	245,453
28,696	702,425	(816,308)	(70,421)
28,696	947,878	(816,308)	175,032
<b>28,696</b>	<b>1,057,785</b>	<b>6,472</b>	<b>1,107,719</b>

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City of Iowa Falls

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficit)

Capital Projects Funds

Year ended June 30, 2002

	<u>Community Development Block Grant</u>
<b>Revenues:</b>	
Use of money and property:	
Interest on investments	\$ -
Miscellaneous	-
	<u>-</u>
Intergovernmental:	
Airport grant	-
Revitalize Iowa's Sound Economy Grant	-
	<u>-</u>
Miscellaneous:	
Sales tax refund	-
Fire station donation	-
Miscellaneous	7,708
	<u>7,708</u>
Total revenues	<u>7,708</u>
<b>Expenditures:</b>	
Community Protection Program:	
Capital outlay	-
	<u>-</u>
Human Development Program:	
Capital outlay	-
	<u>-</u>
Home and Community Environment Program:	
Capital outlay	6,000
	<u>6,000</u>
Policy and Administration Program:	
Capital outlay	-
	<u>-</u>
Total expenditures	<u>6,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,708</u>

Set Aside	General Obligation Bond Capital Projects	Tax Increment Financing Capital Projects	Total
907	16,893	-	17,800
-	-	500	500
907	16,893	500	18,300
-	3,722	-	3,722
-	-	606,607	606,607
-	3,722	606,607	610,329
-	10,872	12,467	23,339
-	387,948	-	387,948
-	-	1,589	9,297
-	398,820	14,056	420,584
907	419,435	621,163	1,049,213
-	100,680	89,984	190,664
5,016	1,110	1,525	7,651
-	38,089	968,774	1,012,863
-	-	336,295	336,295
5,016	139,879	1,396,578	1,547,473
(4,109)	279,556	(775,415)	(498,260)

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City of Iowa Falls

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances (Deficit)

Capital Projects Funds

Year ended June 30, 2002

	<u>Community Development Block Grant</u>
Other financing sources (uses):	
General obligation capital loan note proceeds (net of \$4,944 discount)	<u>-</u>
Operating transfers in (out):	
General	-
Special Revenue:	
Tax Increment Financing Revenue	-
Local Option Sales Tax	-
Capital Projects:	
General Obligation Bond Capital Projects	-
Tax Increment Financing Capital Projects	-
Enterprise:	
Sanitation	-
Expendable Trust:	
Carnegie-Ellsworth Building Endowment	<u>-</u>
	<u>-</u>
Total other financing sources (uses)	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,708
Fund balances (deficit) beginning of year	<u>13,058</u>
Fund balances (deficit) end of year	<u>\$ 14,766</u>

See accompanying independent auditor's report.

Set Aside	General Obligation Bond Capital Projects	Tax Increment Financing Capital Projects	Total
-	795,056	-	795,056
(3,414)	(91,480)	-	(94,894)
-	-	519,630	519,630
-	-	(18,807)	(18,807)
-	-	96,421	96,421
-	(96,421)	-	(96,421)
-	(80,875)	-	(80,875)
-	(55,540)	-	(55,540)
(3,414)	(324,316)	597,244	269,514
(3,414)	470,740	597,244	1,064,570
(7,523)	750,296	(178,171)	566,310
36,219	197,582	(638,137)	(391,278)
28,696	947,878	(816,308)	175,032

**City of Iowa Falls**

## **Enterprise Funds**

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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.

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Water - Accounts for the operation and maintenance of the City's water system.

Wastewater - Accounts for the operation and maintenance of the City's wastewater treatment and sanitary sewer system.

Sanitation - Accounts for the operation and maintenance of the City's solid waste collection system.

Hospital - Accounts for the operation and maintenance of Ellsworth Municipal Hospital.

City of Iowa Falls  
Combining Balance Sheet  
Enterprise Funds  
June 30, 2002

	Water
<b>Assets</b>	
Current assets:	
Cash and pooled cash investments	\$ 394,400
Receivables (net of allowances for uncollectibles):	
Customer accounts and unbilled usage	62,779
Accrued interest	988
Other	1,245
Interfund receivable	72,000
Inventories	23,747
Prepaid expenses	11,891
Restricted assets:	
Cash and pooled cash investments:	
Customer deposits	19,602
Revenue bond/note and interest sinking account	-
Revenue debt service reserve account	-
Wastewater improvement account	-
Wastewater replacement account	-
Donations restricted for specific purpose	-
Accrued interest on restricted assets	-
Investment in affiliate organizations	-
Advance to other funds	40,519
Property and equipment:	
Land	-
Buildings and structures	426,965
Improvements other than buildings	2,405,703
Equipment and vehicles	196,265
Construction in progress	456,429
Accumulated depreciation	(1,335,303)
Bond issuance costs	-
	\$ 2,777,230



Wastewater	Sanitation	Hospital	Total
600,680	72,294	1,467,621	2,534,995
90,846	45,572	2,298,755	2,497,952
2,532	183	3,202	6,905
-	5,010	64,321	70,576
213,294	-	-	285,294
-	-	361,275	385,022
13,827	13,741	43,440	82,899
-	-	-	19,602
-	-	25,894	25,894
311,871	-	284,725	596,596
81,506	-	-	81,506
18,729	-	-	18,729
-	-	929,540	929,540
-	-	6,065	6,065
-	-	360,353	360,353
1,170	-	-	41,689
3,500	-	679,757	683,257
344,690	-	4,234,854	5,006,509
7,337,203	-	-	9,742,906
235,688	330,192	8,295,913	9,058,058
-	-	-	456,429
(2,453,886)	(119,942)	(6,792,287)	(10,701,418)
-	-	25,691	25,691
6,801,650	347,050	12,289,119	22,215,049

City of Iowa Falls  
Combining Balance Sheet  
Enterprise Funds  
June 30, 2002

	Water
<b>Liabilities and Fund Equity</b>	
Current liabilities:	
Accounts payable	\$ 12,577
Accrued liabilities	25,472
Contracts payable	42,439
Due to other governments	1,594
Capital lease payable	-
Third-party payor settlement	-
Current liabilities payable from restricted assets:	
Customer deposits	19,602
Revenue bonds/notes payable	-
Accrued and matured interest payable	-
Non-current liabilities:	
Revenue bonds/notes payable (net of unamortized discounts)	-
Total liabilities	101,684
Fund equity:	
Contributed capital	1,827,978
Retained earnings:	
Reserved for revenue bond retirement	-
Reserved for wastewater replacement	-
Reserved for wastewater improvement	-
Unreserved	847,568
Unreserved fund balance:	
Designated for future capital improvements	-
Designated for indenture agreements	-
Designated for purposes specified by donor	-
Designated for specific programs	-
Undesignated	-
Total fund equity	2,675,546
<b>Total liabilities and fund equity</b>	<b>\$ 2,777,230</b>

See accompanying independent auditor's report.

Wastewater	Sanitation	Hospital	Total
7,750	1,316	498,306	519,949
25,443	23,821	380,959	455,695
20,000	-	-	62,439
638	9,166	-	11,398
-	-	26,756	26,756
-	-	161,202	161,202
-	-	-	19,602
153,000	-	153,571	306,571
9,906	-	568	10,474
2,684,000	-	2,539,265	5,223,265
2,900,737	34,303	3,760,627	6,797,351
2,271,135	42,965	-	4,142,078
148,965	-	-	148,965
18,729	-	-	18,729
81,506	-	-	81,506
1,380,578	269,782	-	2,497,928
-	-	1,060,185	1,060,185
-	-	284,725	284,725
-	-	935,605	935,605
-	-	9,047	9,047
-	-	6,238,930	6,238,930
3,900,913	312,747	8,528,492	15,417,698
6,801,650	347,050	12,289,119	22,215,049

City of Iowa Falls  
Combining Statement of Revenues, Expenses  
and Changes in Retained Earnings/Fund Balance

Enterprise Funds

Year ended June 30, 2002

	Water
Operating revenues:	
Charges for service	\$ 476,711
Miscellaneous	916
Total operating revenues	477,627
Operating expenses:	
Human Development Program:	
Personal services	-
Contractual services	-
Commodities	-
Depreciation	-
	-
Home and Community Environment Program:	
Personal services	157,079
Contractual services	131,974
Commodities	27,940
Capital outlay (non-capitalized)	276,255
Depreciation	67,187
	660,435
Total operating expenses	660,435
Operating income (loss)	(182,808)
Non-operating revenues (expenses):	
Interest income	18,123
Miscellaneous revenue, primarily donations	-
Interest expense	-
Contribution of property and equipment	7,562
Gain on disposal of property and equipment	230
City's share of net loss of hospital's affiliated organizations	-
Total non-operating revenues (expenses)	25,915
Net income (loss) before operating transfers	(156,893)
Operating transfers in	-
Net income (loss)	(156,893)
Retained earnings/fund balance at beginning of year	1,004,461
Retained earnings/fund balance at end of year	\$ 847,568

See accompanying independent auditor's report.

Wastewater	Sanitation	Hospital	Total
610,305	466,654	11,037,637	12,591,307
281	1,392	458,061	460,650
610,586	468,046	11,495,698	13,051,957
-	-	6,344,351	6,344,351
-	-	1,446,090	1,446,090
-	-	2,404,387	2,404,387
-	-	633,454	633,454
-	-	10,828,282	10,828,282
157,365	219,095	-	533,539
107,211	292,660	-	531,845
25,475	20,942	-	74,357
34,548	6,048	-	316,851
195,544	32,695	-	295,426
520,143	571,440	-	1,752,018
520,143	571,440	10,828,282	12,580,300
90,443	(103,394)	667,416	471,657
25,917	1,815	84,004	129,859
298	-	100,815	101,113
(126,008)	-	(153,829)	(279,837)
19,450	-	-	27,012
-	-	271	501
-	-	(154,062)	(154,062)
(80,343)	1,815	(122,801)	(175,414)
10,100	(101,579)	544,615	296,243
-	80,875	-	80,875
10,100	(20,704)	544,615	377,118
1,619,678	290,486	7,983,877	10,898,502
1,629,778	269,782	8,528,492	11,275,620

City of Iowa Falls  
Combining Statement of Cash Flows  
Enterprise Funds  
Year ended June 30, 2002

	Water
Cash flows from operating activities:	
Operating income (loss)	(182,808)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	67,187
Forgiveness of accounts receivable from affiliated organization	-
(Increase) decrease in customer accounts receivable and unbilled usage and other accounts receivable	2,414
(Increase) in inventories, at cost	(1,853)
(Increase) decrease in prepaid items	(3,168)
Increase (decrease) in accounts payable, excluding payables for assets capitalized	(16,089)
Increase in contract payables	38,964
Increase in accrued liabilities	1,150
Increase (decrease) in due to other governments	1,577
(Decrease) in third-party payor settlement	-
Net cash provided by (used in) operating activities	(92,626)
Cash flows from non-capital financing activities:	
Advances to other funds, net of advance repayments	14,751
Transfers in (out)	-
Contributions	-
Net cash provided by non-capital financing activities	14,751
Cash flows from capital and related financing activities:	
Donations restricted by donor for purchases of property and equipment	-
Proceeds from sale of property and equipment	230
Acquisition of property and equipment	(435,102)
Principal paid on revenue bonds matured	-
Interest paid on revenue bonds	-
Principal paid on capital lease	-
Interest paid on capital lease	-
Principal paid on notes payable	-
Interest paid on notes payable	-
Net cash used in capital and related financing activities	(434,872)

Wastewater	Sanitation	Hospital	Total
90,443	(103,394)	667,416	471,657
195,544	32,695	633,454	928,880
-	-	(195,129)	(195,129)
9,296	(4,495)	(45,546)	(38,331)
-	-	(43,217)	(45,070)
(2,728)	(3,293)	32,136	22,947
(3,133)	(445)	123,605	103,938
20,000	-	-	58,964
1,121	2,567	28,002	32,840
(174)	(2,304)	-	(901)
-	-	(181,945)	(181,945)
<b>310,369</b>	<b>(78,669)</b>	<b>1,018,776</b>	<b>1,157,850</b>
75,418	-	-	90,169
-	80,875	-	80,875
-	-	3,000	3,000
<b>75,418</b>	<b>80,875</b>	<b>3,000</b>	<b>174,044</b>
-	-	97,815	97,815
298	-	3,088	3,616
-	(453)	(281,920)	(717,475)
(147,000)	-	(236,095)	(383,095)
(126,521)	-	(146,369)	(272,890)
-	-	(50,726)	(50,726)
-	-	(4,734)	(4,734)
-	-	(2,955)	(2,955)
-	-	(25)	(25)
<b>(273,223)</b>	<b>(453)</b>	<b>(621,921)</b>	<b>(1,330,469)</b>

City of Iowa Falls  
Combining Statement of Cash Flows  
Enterprise Funds  
Year ended June 30, 2002

	Water
Cash flows from investing activities:	
Interest on investments	21,059
Decrease in investment in affiliated organizations	-
Purchase investments	-
Net cash provided by (used in) investing activities	21,059
Net increase (decrease) in cash and cash equivalents	(491,688)
Cash and cash equivalents at beginning of year	905,690
Cash and cash equivalents at end of year	\$ 414,002
<b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combining Balance Sheet:</b>	
Current assets:	
Cash and pooled cash investments	\$ 394,400
Restricted assets:	
Cash and pooled cash investments:	
Customer deposits	19,602
Revenue bond/note and interest sinking account	-
Revenue debt service reserve account	-
Wastewater improvement account	-
Wastewater replacement account	-
Donations restricted for specific purpose	-
	414,002
Less items not meeting the definition of cash equivalents:	
Certificates of deposit	-
Cash and cash equivalents at year end	\$ 414,002

See accompanying independent auditor's report.

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2002, property and equipment of \$7,562 and \$19,450 were contributed to the Enterprise Funds – Water and Wastewater Accounts, respectively, from the Capital Projects Funds – Tax Increment Financing Capital Projects Account.



Wastewater	Sanitation	Hospital	Total
28,080	1,936	93,920	144,995
-	-	(27,853)	(27,853)
-	-	(129,490)	(129,490)
28,080	1,936	(63,423)	(12,348)
140,644	3,689	336,432	(10,923)
872,142	68,605	695,272	2,541,709
<b>1,012,786</b>	<b>72,294</b>	<b>1,031,704</b>	<b>2,530,786</b>
600,680	72,294	1,467,621	2,534,995
-	-	-	19,602
-	-	25,894	25,894
311,871	-	284,725	596,596
81,506	-	-	81,506
18,729	-	-	18,729
-	-	929,540	929,540
1,012,786	72,294	2,707,780	4,206,862
-	-	(1,676,076)	(1,676,076)
<b>1,012,786</b>	<b>72,294</b>	<b>1,031,704</b>	<b>2,530,786</b>

## **Trust Funds**

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The Trust Funds are used to account for monies and properties received and held by the City in a trustee capacity. These include expendable trust funds.

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Carnegie-Ellsworth Endowment - Accounts for any gifts or memorials received by the City which are specifically designated for the Carnegie-Ellsworth Building Endowment Fund.

Carnegie-Ellsworth Maintenance - Accounts for expenses related to the preservation and maintenance of the Carnegie-Ellsworth Building.

City of Iowa Falls  
Combining Balance Sheet  
Expendable Trust Funds  
June 30, 2002

	Carnegie-Ellsworth Endowment	Carnegie-Ellsworth Maintenance	Total
<b>Assets</b>			
Cash and pooled cash investments	\$ 461,249	59,128	520,377
Accrued interest receivable	-	1,302	1,302
Interfund Receivable	-	825	825
Advance to other funds	98,291	-	98,291
<b>Total assets</b>	<b>\$ 559,540</b>	<b>61,255</b>	<b>620,795</b>
<b>Liabilities and Fund Equity</b>			
Liabilities:			
Accounts payable	\$ -	43	43
Fund equity:			
Fund balances:			
Unreserved, designated for library	559,540	61,212	620,752
<b>Total liabilities and fund equity</b>	<b>\$ 559,540</b>	<b>61,255</b>	<b>620,795</b>

See accompanying independent auditor's report.

**Schedule 14**

City of Iowa Falls

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances

Expendable Trust Funds

Year ended June 30, 2002

	Carnegie-Ellsworth Building Endowment	Carnegie-Ellsworth Building Maintenance	Total
Revenues:			
Use of money and property:			
Interest on investments	\$ -	16,790	16,790
Expenditures:			
Policy and Administration Program:			
Current operating expenditures	-	2,015	2,015
Excess of revenues over expenditures	-	14,775	14,775
Other financing sources:			
Operating transfers in:			
Capital Projects:			
General Obligation Bond Capital Projects	55,540	-	55,540
Excess of revenues and other financing sources over expenditures	55,540	14,775	70,315
Fund balances beginning of year	504,000	46,437	550,437
Fund balances end of year	\$ 559,540	61,212	620,752

See accompanying independent auditor's report.

**City of Iowa Falls**

City of Iowa Falls  
Bond and Note Maturities  
June 30, 2002

Year Ending June 30,	General Obligation							
	General and Essential Corporate Purpose		Capital Loan Notes		Capital Loan Notes		Capital Loan Notes	
	Issued Aug 1, 1993		Issued July 1, 1997		Issued July 1, 1998		Issued July 1, 1999	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2003	4.60%	\$ 50,000	4.65%	\$ 55,000	4.100%	\$ 60,000	4.45%	\$ 55,000
2004	4.75	50,000	-	-	4.125	65,000	4.55	55,000
2005	-	-	-	-	-	-	4.65	60,000
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-
<b>Total</b>		<u>\$ 100,000</u>		<u>\$ 55,000</u>		<u>\$ 125,000</u>		<u>\$ 170,000</u>

Year Ending June 30,	Revenue Bonds/Notes				
	Wastewater Revenue Capital Loan Notes Series 1996		Hospital Revenue Bond Series 1998		Total
	Issued Feb 16, 1996		Issued Nov 1, 1998		
	Interest Rates	Amount	Interest Rates	Amount	
2003	4.19%	\$ 153,000	5.00%	\$ 153,571	\$ 306,571
2004	4.19	160,000	5.00	161,428	321,428
2005	4.19	166,000	5.00	169,687	335,687
2006	4.19	173,000	5.00	178,368	351,368
2007	4.19	180,000	5.00	187,494	367,494
2008	4.19	188,000	5.00	197,086	385,086
2009	4.19	196,000	5.00	207,170	403,170
2010	4.19	204,000	5.00	217,769	421,769
2011	4.19	213,000	5.00	228,911	441,911
2012	4.19	221,000	5.00	240,622	461,622
2013	4.19	231,000	5.00	252,933	483,933
2014	4.19	240,000	5.00	265,873	505,873
2015	4.19	251,000	5.00	231,924	482,924
2016	4.19	261,000	-	-	261,000
<b>Total</b>		<u>\$2,837,000</u>		<u>\$2,692,836</u>	<u>\$ 5,529,836</u>

See accompanying independent auditor's report.

<u>Bonds/Notes</u>						
<u>Corporate Purpose</u>		<u>Capital Loan Notes</u>		<u>Capital Loan Notes</u>		
<u>Issued July 1, 1999</u>		<u>Issued July 1, 2000</u>		<u>Issued Oct 15, 2001</u>		
<u>Interest</u>		<u>Interest</u>		<u>Interest</u>		<u>Total</u>
<u>Rates</u>	<u>Amount</u>	<u>Rates</u>	<u>Amount</u>	<u>Rates</u>	<u>Amount</u>	
4.800%	\$ 130,000	5.20%	\$ 45,000	2.45%	\$ 100,000	\$ 495,000
4.800	140,000	5.25	45,000	2.80	105,000	460,000
4.800	145,000	5.30	50,000	3.05	110,000	365,000
4.800	150,000	5.40	50,000	3.30	115,000	315,000
4.800	155,000		-	3.50	120,000	275,000
4.800	165,000		-	3.75	120,000	285,000
4.800	170,000		-	4.00	130,000	300,000
4.800	180,000		-		-	180,000
4.875	185,000		-		-	185,000
4.900	195,000		-		-	195,000
5.000	205,000		-		-	205,000
5.000	215,000		-		-	215,000
	<u>\$2,035,000</u>		<u>\$ 190,000</u>		<u>\$ 800,000</u>	<u>\$ 3,475,000</u>

**Schedule 16**

City of Iowa Falls  
Comparison of Intergovernmental Revenues

	Years ended June 30,			
	2002	2001	2000	1999
Intergovernmental:				
Road use tax	\$ 420,292	428,014	445,283	413,373
State allocation	86,091	94,721	94,999	94,922
Public assistance grant	-	-	110,736	85,011
Community development block grant	-	-	19,600	248,574
Airport grant	3,722	390,575	20,414	27,610
Recreation infrastructure grant	-	-	10,000	90,000
Revitalize Iowa's Sound Economy Grant	606,607	60,046	-	-
Bank franchise tax	16,809	32,399	39,649	19,685
County library	23,620	23,561	23,729	23,207
Township fire contribution	9,566	4,925	9,752	4,187
Miscellaneous	17,926	25,338	51,009	23,317
Total	<u>\$ 1,184,633</u>	<u>1,059,579</u>	<u>825,171</u>	<u>1,029,886</u>

See accompanying independent auditor's report.



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

**City of Iowa Falls**



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

Independent Auditor's Report on Compliance  
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 Iowa Falls, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated November 25, 2002. 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 Iowa Falls' 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. 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 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. There were no statutory findings reported in the prior year.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Iowa Falls' 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting 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 Iowa Falls and other parties to whom the City of Iowa Falls 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 Iowa Falls 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

November 25, 2002

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City of Iowa Falls

Schedule of Findings

Year ended June 30, 2002

**Findings Related to the General Purpose Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**REPORTABLE CONDITIONS:**

No material weaknesses in internal control over financial reporting were identified.

City of Iowa Falls

Schedule of Findings

Year ended June 30, 2002

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

- (1) Official Depositories - A resolution naming official depositories has been adopted by the Council. 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, exceeded the amount budgeted in the Community Protection program. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an annual or continuing appropriation.

Recommendation - The budget should have been amended in sufficient amounts in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response - A new fire station project commenced late in the fiscal year and was not incorporated into the budget amendment.

Conclusion - Response acknowledged. The budget should be amended to incorporate new projects to comply with Chapter 384.20 of the Code of Iowa.

- (3) 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.
- (4) Travel Expense - No expenditures 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
Marlyn Humphrey, Fire Chief, owner of Iowa Falls Fire Extinguisher Company	Emergency lights	\$ 77
Steve Henry, Fire Secretary/ Treasurer, owner of Iowa Falls Glass	Replace equipment glass and city hall door	2,780
Diane Meyer, Council Member, husband owner of Midwest Animal Health	Vet services	502

In accordance with Chapter 362.5(10) of the Code of Iowa, the transactions with the Fire Chief and Council Member do not appear to represent a conflict of interest since the total transaction cumulative amounts by individual were less than \$1,500 during the fiscal year.

The remaining transactions with Steve Henry may represent a conflict of interest as defined in Chapter 362.5 of the Code of Iowa since the total transactions exceeded \$1,500 during the fiscal year and the transactions were not competitively bid.

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

Response - The City took bids for a larger project which included the door replacement, but we did not retain the paperwork.

Conclusion - Response acknowledged. Documentation of bids taken to comply with Chapter 362.5 of the Code of Iowa should be retained.

- (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.
- (8) Revenue Bonds and Notes - The City has complied with the revenue bond and note provisions.
- (9) Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- (10) Utility Billings - The City did not apply shut off procedures for late payments in accordance with the City Code.

Recommendation - The City should ensure that the late payment procedures are applied consistently and enforced as required by the City Code.

Response - We will address the utility shut-off process with the department superintendent.

Conclusion - Response accepted.

(11) Other Information Required by Bond Resolution

Insurance - The following insurance policies were in force at June 30, 2002:

Insurer	Description	Amount	Expiration Date
Employer's Mutual	Property coverage	\$ 14,988,934	Apr 1, 2003
Employer's Mutual	Liability coverage:		
	General aggregate	2,000,000	Apr 1, 2003
	Products aggregate	2,000,000	Apr 1, 2003
	Personal injury	1,000,000	Apr 1, 2003
	Each occurrence	1,000,000	Apr 1, 2003
	Fire damage	100,000	Apr 1, 2003
	Medical expense	5,000	Apr 1, 2003

Insurer	Description	Amount	Expiration Date
Employer's Mutual	Inland Marine:		
	Contractor's equipment	533,426	Apr 1, 2003
	Data processing	208,738	Apr 1, 2003
	Valuable papers:		
	Location 2	50,000	Apr 1, 2003
	Location 3	100,000	Apr 1, 2003
	Location 4	500,000	Apr 1, 2003
	Miscellaneous property	46,028	Apr 1, 2003
Employer's Mutual	Automobile coverage:		
	Liability	1,000,000	Apr 1, 2003
	Auto medical	5,000	Apr 1, 2003
	Uninsured motorist	50,000	Apr 1, 2003
	Underinsured motorist	50,000	Apr 1, 2003
	Comprehensive/collision	Lesser of cash value or cost of repair	Apr 1, 2003
Employer's Mutual	Worker's Compensation:		
	Bodily injury by accident	500,000	Apr 1, 2003
	Bodily injury by disease	500,000	Apr 1, 2003
	Policy limit	500,000	Apr 1, 2003
Employer's Mutual	Umbrella:		
	Retained limit	10,000	Apr 1, 2003
	Occurrence limit	3,000,000	Apr 1, 2003
	Aggregate limit	3,000,000	Apr 1, 2003
Employer's Mutual	Linebacker:		
	Each loss	1,000,000	Apr 1, 2003
	Aggregate	1,000,000	Apr 1, 2003
Old Republic Insurance Company	Airport liability:		
	Combined single:		
	Each occurrence	1,000,000	Jul 1, 2002
	Malpractice aggregate	1,000,000	Jul 1, 2002
	Fire damage	50,000	Jul 1, 2002
	Medical expense	1,000	Jul 1, 2002
	Hangarkeepers-per aircraft	200,000	Jul 1, 2002
	Hangarkeepers-per occurrence	200,000	Jul 1, 2002
	Personal injury and advertising injury aggregate limit	1,000,000	Jul 1, 2002
Northfield Insurance Company	Airport public officials and employees' liability	1,000,000	Jul 1, 2002
Allied Mutual Insurance Company	Public employees blanket bond	100,000	Continuous until canceled



Statistical Information:

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<u>Description</u>	<u>Amount</u>
Customers served water at June 30, 2002	2,249
Customers served sewer at June 30, 2002	2,232

Water rates in effect at June 30, 2002:

Per month:

- First 1,000 gallons - \$2.87 minimum charge
- 1,000 to 20,000 gallons - \$2.15 per 1,000 gallons
- Over 20,000 gallons - \$1.76 per 1,000 gallons

Sewer rates in effect at June 30, 2002:

Minimum charge per month of \$5.00 plus \$3.10 per 1,000 gallons of water used

Users who contribute wastewater, the strength of which is greater than normal domestic wastewater, and users who contribute more than an average of fifty thousand gallons per day during the entire current billing period, are charged the following rates for the excess concentration:

Flow in excess of fifty thousand gallons per day	\$0.34 per 1000 gallons
Biochemical oxygen demand	\$0.19 per pound
Suspended solids	\$0.13 per pound
NH <sub>3</sub> -N	\$0.48 per pound

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City of Iowa Falls

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Manager  
Katherine L. Rupp, CPA, Senior Auditor II  
Kimberly M. Knight, Staff Auditor  
Tammy L. Mason, CPA, Staff Auditor  
Ryan J. Johnson, Assistant Auditor

Andrew E. Nielsen, CPA  
Deputy Auditor of State

**Statistical Section**

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City of Iowa Falls

General Governmental\* Expenditures by Function  
Last Ten Fiscal Years

Years Ended June 30,	General	Street	Public Safety	Parks and Recreation	Library
1993	\$ 215,673	359,071	761,539	205,334	138,970
1994	220,211	379,884	834,747	223,499	138,489
1995	226,326	407,015	763,699	204,038	135,008
1996	216,413	297,649	826,791	240,082	144,111
1997	215,114	427,729	841,820	226,003	148,555
1998	234,141	397,137	849,947	199,641	155,682
1999	248,471	406,340	928,895	261,256	161,040
2000	310,413	407,736	961,410	280,834	190,512
2001	336,211	382,952	1,201,458	426,159	330,596
2002	332,968	421,212	1,090,482	382,376	253,525

\* Includes General Fund, Special Revenue Funds and Debt Service Fund.

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<b>Debt Service</b>	<b>Other</b>	<b>Total</b>
573,499	292,546	2,546,632
593,330	240,696	2,630,856
598,535	233,573	2,568,194
489,836	30,062	2,244,944
564,430	58,856	2,482,507
323,683	14,777	2,175,008
382,903	55,379	2,444,284
675,951	85,370	2,912,226
743,046	73,347	3,493,769
582,101	118,164	3,180,828

City of Iowa Falls

General Governmental\* Revenues and Other Financing Sources by Source  
Last Ten Fiscal Years

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Years Ended June 30,	Property Tax	Tax Increment Financing Revenues	Other City Tax	Licenses and Permits	Fines and Forfeitures	Charges for Services
1993	\$ 1,744,578	**	-	34,582	24,063	39,653
1994	1,716,016	**	-	35,268	26,014	39,282
1995	1,616,556	**	-	30,892	28,523	37,084
1996	1,550,805	204,484	93,019	34,092	27,789	34,762
1997	1,594,984	235,907	320,298	30,174	25,373	41,884
1998	1,442,865	231,665	399,890	55,620	32,206	40,646
1999	1,451,394	387,196	455,099	48,844	34,408	72,775
2000	1,547,466	407,478	445,542	33,290	46,495	65,646
2001	1,527,505	624,193	533,651	30,608	36,381	145,955
2002	1,465,603	655,491	515,338	38,335	42,797	168,473

\* Includes General Fund, Special Revenue Funds and Debt Service Fund.

\*\* Included in property taxes.

\*\*\* Also includes other financing sources consisting of general obligation bond/note and capital lease proceeds. Does not include operating transfers.

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Inter- governmental	Use of Money and Property	Other, Including General Obligation Bond/Note and Capital Lease Proceeds***	Total
463,391	90,058	60,485	2,456,810
554,568	92,513	380,715	2,844,376
554,883	78,409	143,238	2,489,585
551,175	80,272	98,489	2,674,887
547,321	89,576	78,589	2,964,106
542,583	116,172	822,618	3,684,265
743,702	170,629	388,268	3,752,315
790,283	223,440	288,791	3,848,431
608,958	156,011	296,219	3,959,481
574,304	79,082	210,162	3,749,585

**City of Iowa Falls**



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City of Iowa Falls  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Collection Years Ended June 30,	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
1993	\$ 1,657,579	1,744,578	105.25%
1994	1,657,489	1,716,016	103.53
1995	1,566,835	1,616,556	103.17
1996	1,595,075	1,550,805	97.22
1997	1,650,220	1,594,984	96.65
1998	1,683,477	1,674,530	99.47
1999	1,856,746	1,838,590	99.02
2000	1,970,521	1,954,944	99.21
2001	2,065,327	2,151,698	104.18
2002	2,087,350	2,121,094	101.62

**Schedule D**

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## City of Iowa Falls

Property Tax Revenue by Function  
Last Ten Fiscal Years

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Years Ended June 30,	General	Street	Public Safety	Parks and Recreation	Special Revenue	Debt Service
1993	\$ 227,327	39,194	399,782	117,583	422,962	537,730
1994	234,381	62,502	390,636	93,753	397,735	537,009
1995	215,593	14,868	431,186	81,777	333,971	539,161
1996	232,749	4,156	477,966	116,374	274,248	445,312
1997	210,282	-	449,700	110,651	332,574	491,777
1998	219,722	-	456,949	118,486	369,422	278,286
1999	213,742	-	468,090	126,207	351,035	292,320
2000	116,416	-	566,393	143,646	344,480	376,531
2001	124,386	-	600,773	160,736	387,620	393,355
2002	171,948	-	605,710	114,931	437,478	273,993

## City of Iowa Falls

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Levy Year	Collection Years Ended June 30,	Assessed Value	Estimated Actual Value	Ration of Assessed Value to Total Estimated Actual Value
1993	1994	\$ 92,666,619	111,281,384	83.27%
1994	1995	90,533,513	112,194,423	80.69
1995	1996	102,977,657	129,310,416	79.64
1996	1997	97,970,911	132,976,491	73.69
1997	1998	98,446,903	133,256,138	73.88
1998	1999	105,644,567	151,440,297	69.76
1999	2000	109,021,787	152,860,186	71.32
2000	2001	120,099,446	172,052,506	69.8
2001	2002	122,002,065	173,623,236	70.27
2002	2003	120,467,125	170,749,661	70.55

**City of Iowa Falls**

## City of Iowa Falls

Comparative Ratio of General Bonded Debt to Assessed Values  
and General Bonded Debt Per Capita  
Last Ten Fiscal Years

Years Ended June 30,	Popula- tion (1)	Assessed Value of Property	Bonded Debt		Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
1993	5,435	\$ 91,842,237	2,210,000	*	2.41%	406.62
1994	5,435	92,666,619	2,180,000	**	2.35	401.10
1995	5,435	90,533,513	1,690,000	***	1.87	310.95
1996	5,435	102,977,657	1,530,000	****	1.49	281.51
1997	5,435	97,970,911	1,250,000		1.28	229.99
1998	5,435	98,446,903	1,255,000		1.27	230.91
1999	5,435	105,644,567	1,250,000		1.18	229.99
2000	5,435	109,021,787	3,425,000		3.14	630.18
2001	5,193	120,099,446	3,090,000		2.58	595.03
2002	5,193	122,002,065	3,475,000		2.85	669.17

\* Of this amount, \$64,484 was repaid from proprietary revenues.

\*\* Of this amount, \$50,008 was repaid from proprietary revenues.

\*\*\* Of this amount, \$34,216 was repaid from proprietary revenues.

\*\*\*\* Of this amount, \$18,424 was repaid from proprietary revenues.

Data Source:

(1) U.S. Census Bureau

City of Iowa Falls  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Levy Year	Collection Years Ended June 30,	Tax Rates*			
		Iowa Falls Community Schools	Hardin County and State	City of Iowa Falls	Area College VI
1992	1994	13.92707	5.62600	18.57903	0.87944
1993	1995	13.60213	5.78125	18.05753	0.83064
1994	1996	13.16660	5.27444	16.40511	1.02731
1995	1997	12.80160	5.38535	17.96594	1.01074
1996	1998	14.00859	5.10730	15.86713	0.99017
1997	1999	13.97611	5.25820	15.48609	1.05028
1998	2000	13.19954	5.06630	15.85949	1.01627
1999	2001	13.78056	5.03033	15.87158	0.82674
2000	2002	13.56622	5.65638	15.45750	0.83104
2001	2003	14.06630	5.81626	15.82668	0.85117

\*Tax rates expressed in dollars per thousand of assessed valuation.

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Total	Ratio of Iowa Falls to Total
39.01154	47.62
38.27155	47.18
35.87346	45.73
37.16363	48.34
35.97319	44.11
35.77068	43.29
35.14160	45.13
35.50921	44.70
35.51114	43.53
36.56041	43.29

**Schedule H**

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City of Iowa Falls  
Computation of Direct and Overlapping Bonded Debt  
June 30, 2002

Name of Governmental Unit	Total Gross Debt Outstanding	Percentage Applicable to City of Iowa Falls	City of Iowa Falls Share of Debt
<b>Direct:</b>			
City of Iowa Falls	\$ 3,475,000	100.00%	\$3,475,000
<b>Overlapping:</b>			
Iowa Valley Community College	1,600,000	3.75	60,000
Iowa Falls Community School District	2,650,000	46.26	1,225,890
Hardin County	4,720,000	14.28	<u>674,016</u>
<b>Total direct and overlapping debt</b>			<u><u>\$5,434,906</u></u>



## City of Iowa Falls

Ratio of Annual Debt Service Expenditures  
For General Debt\* to Total General Expenditures  
Last Ten Fiscal Years

Years Ended June 30,	Principal	Interest	Total Debt Service	Total General Expendi- tures**	Ratio of Total Debt Service to Total General Expenditures
1993	\$ 416,840	156,659	573,499	2,546,632	22.52%
1994	445,524	147,806	593,330	2,630,856	22.55
1995	474,208	124,327	598,535	2,568,194	23.31
1996	384,208	105,628	489,836	2,244,944	21.82
1997	471,576	92,854	564,430	2,481,907	22.75
1998	245,000	78,683	323,683	2,175,008	14.88
1999	305,000	77,903	382,903	2,444,284	15.67
2000	495,000	180,951	675,951	2,912,226	23.21
2001	565,000	178,046	743,046	3,493,769	21.27
2002	415,000	167,101	582,101	3,180,828	18.30

\* General obligation debt paid from property tax.

\*\* Includes General Fund, Special Revenue Funds and Debt Service Fund.

## Schedule J

Revenue Bond Coverage  
Last Ten Fiscal Years

Years Ended June 30,	Gross Revenue	Operating Expenses Net of Deprecia- tion	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1993	\$6,497,873	5,887,426	610,447	233,160	180,850	414,010	1.47%
1994	7,160,673	6,170,445	990,228	249,476	164,128	413,604	2.39
1995	8,097,843	6,857,258	1,240,585	275,792	145,999	421,791	2.94
1996	10,295,508	9,085,978	1,209,530	290,792	127,708	418,500	2.89
1997	11,166,182	8,954,176	2,212,006	397,955	210,295	608,250	3.64
1998	11,619,952	9,456,808	2,163,144	398,000	232,879	630,879	3.43
1999	11,524,787	9,732,856	1,791,931	380,000	301,595	681,595	2.63
2000	12,879,877	10,454,594	2,425,283	432,082	361,335	793,417	3.06
2001	13,241,152	11,293,270	1,947,882	504,987	304,404	809,391	2.41
2002	13,310,442	11,651,420	1,659,022	383,095	272,890	655,985	2.53

**City of Iowa Falls**

City of Iowa Falls  
Demographic Statistics  
Last Ten Fiscal Years

Years Ended June 30,	Population(1)	Per Capita Income(2)	Per Household Income(2)	Retail Sales(3)	Median Age(2)	School Enrollment Public(4)	Unemployment Rate Hardin County(5)
1993	5,435	11,578	22,810	66,114,772	37.1	1,277	4.0
1994	5,435	11,578	22,810	66,534,674	37.1	1,321	2.6
1995	5,435	11,578	22,810	72,663,607	37.1	1,313	3.4
1996	5,435	11,578	22,810	82,558,606	37.1	1,300	2.4
1997	5,435	11,578	22,810	83,837,022	37.1	1,267	3.0
1998	5,435	11,578	22,810	90,339,863	37.1	1,218	3.0
1999	5,435	11,578	22,810	94,271,014	37.1	1,162	3.1
2000	5,435	11,578	22,810	97,997,836	37.1	1,141	2.4
2001	5,193	11,578	22,810	104,066,197	41.2	1,136	3.1
2002	5,193	23,483	41,891	93,404,435	41.2	1,136	3.9

## Data sources:

- (1) U.S. Census Bureau, 1990/2000
- (2) Iowa State Office of Demographics
- (3) Iowa Department of Revenue and Finance
- (4) Iowa Falls Community Schools
- (5) Iowa Falls Workforce Development Center

**Schedule L**

## City of Iowa Falls

Property Value, Construction and Bank Deposits  
Last Ten Fiscal Years

Years Ended June 30,	New Construction(1)		Remodeling, Repairs and Additions			Real Property Value (3)
	Number of Permits	Value of Permits	Number of Permits	Value of Permits	Bank Deposits(2)	
1993	20	\$2,782,050	82	\$ 1,540,893	121,917,000	111,281,384
1994	20	1,557,700	87	2,034,474	121,050,000	112,194,423
1995	18	1,119,620	81	219,404	127,663,000	129,310,416
1996	19	2,054,750	70	636,560	137,914,000	132,976,491
1997	22	1,806,038	46	672,110	170,748,000	133,256,138
1998	10	8,294,307	49	1,502,250	191,880,000	151,440,297
1999	20	6,615,000	50	556,550	183,305,000	152,860,186
2000	8	1,369,000	32	839,426	184,188,000	172,052,506
2001	14	1,235,000	64	677,700	165,196,000	173,623,236
2002	14	2,689,245	60	696,797	206,396,000	170,749,661

## Data sources:

- (1) Based on building permits issued by City Building Department. Property estimated construction costs.
- (2) Based on information from Iowa Falls State Bank, Greenbelt Bank and Trust and Liberty Bank.
- (3) Data presented was supplied by County Assessor's Office and prior years' audit reports.

## City of Iowa Falls

Ten Largest Taxpayers - 2000 Assessments Payable  
in the Year ended June 30, 2002

Name	Assessed Value Real Property	Percentage of Total Assessed Valuation
IES Utilities, Inc.	\$ 9,245,063	7.58%
Heartland Pork Enterprises	4,061,030	3.33
Cargill, Inc.	2,836,563	2.33
Wal-Mart Stores Inc.	2,259,378	1.85
Mary Greeley Medical Center	1,880,645	1.54
Scenic City Manor Inc.	1,486,687	1.22
Qwest Corporation	1,347,789	1.10
Riversideworld Inc.	1,328,053	1.09
Scenic City Manor	1,232,643	1.01
Union Pacific Railroad Co.	1,051,082	0.86
Total	\$26,728,933	21.91%

**Schedule N**

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## City of Iowa Falls

## Miscellaneous Statistical Data

Year of incorporation	1869
Form of government	Mayor/Council/Manager
Area (square miles)	5
Miles of streets:	
Paved	56.625
Unpaved	3.375
Building permits:	
Issued for 12-month period	74
Value of permits issued	\$ 3,386,042
Fire protection:	
Number of stations	1
Number of employees:	
Part-time	2
Volunteer	33
Police protection:	
Number of stations	1
Number of employees	16
Recreation:	
Parks, number of acres	90
Number of fun centers	6
Number of sports camps	6
Number of golf courses	2
Number of swimming pools	2
Other facilities:	
Pre-schools	4
Tennis courts	4
Softball diamonds	1
Baseball diamonds	3
Number of permanent City employees	
Elections:	43
Last general election:	
Registered voters	3,815
Number of votes cast	1,697
Percentage voting	44.48%
Last municipal election:	
Registered voters	3,822
Number of votes cast	274
Percentage voting	7.17%