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STATE OF IOWA

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Annual Report on the City Examination Program

To the Honorable Chairs and
Members of the House and Senate Government Oversight Committees:

In accordance with Iowa Code Section 11.6(11), we are submitting this report on the city examination program. The report discusses the status of the periodic examination fund established under Iowa Code Section 11.6(11), the status of periodic examinations of cities and the status of required fiscal year examinations of cities.

Status of Periodic Examination Fund and Periodic Examinations

The balance of the periodic examination fund was \$168.77 on December 31, 2013. Periodic examination fees are not due until March 31, 2014, so we anticipate the balance of the fund will increase substantially by then.

One periodic examination was completed in the six months from July 1, 2013 through December 31, 2013 at a cost of \$3,306.23. No additional periodic examinations will be scheduled until after March 31, 2014.

Status of Required Fiscal Year Examinations

A total of 28 required fiscal year examinations have been completed. Of the 28, 22 were completed by CPA firms and 6 were completed by the State Auditor's Office. The average cost of each required fiscal year examination was \$3,757.65.

A total of 29 required fiscal year examinations are currently scheduled or in process by the State Auditor's Office. Another 123 cities eligible for a required fiscal year examination can contract with a CPA firm for either an examination or an audit. We will not know until the end of the fiscal year what oversight method these cities choose.

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