



# CITY OF CLEAR LAKE

15 North 6th Street • P.O. Box 185 • Clear Lake, IA 50428  
Phone (641) 357-5267 • Fax (641) 357-8711  
www.cityofclearlake.com

Mayor  
NELSON P.  
CRABB

November 29, 2013

City  
Administrator  
SCOTT  
FLORY

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

The next meeting of the Clear Lake City Council is scheduled for Monday, **December 2, 2013**, at 6:30 p.m., in the Council Chambers, at City Hall. Please refer to the enclosed agenda for the items discussed below.

COUNCIL  
MEMBERS

DANA  
BRANT  
Ward 1

ITEM #6A. **Municipal Audit Report 2013 Fiscal Year.** In accordance with Section 11.19 of the Code of Iowa, the annual audit report has been completed for the City of Clear Lake for the Fiscal Year ending on June 30, 2013. State law requires that a certified public accounting firm make an annual audit of the financial statements of all the departments of the City.

TONY J.  
NELSON  
Ward 2

Back at its meeting on May 6, 2013, the City Council approved a 5-year agreement with Bohnsack & Frommelt LLP, following issuance of an RFP for City audit services. Previously, the City's auditor had been McGladrey & Pullen for a number of years. The issuance of an RFP for professional audit services was one of the goals identified by the Council during its 2012 Strategic Planning & Goal Setting Session.

JIM  
BOEHNKE  
Ward 3

MIKE  
CALLANAN  
At Large

TERRY  
UNSWORTH  
At Large

The City's auditor will present the audit and review the findings, conclusions, and recommendations with the City Council. Following acceptance of the audit report by the City Council, a copy will be filed with the State Auditor's office, as required by law.

Scott Flory  
City Administrator

Smart Quote: "Some people believe that holding on and hanging in there are signs of great strength. However, there are times when it takes much more strength to know when to let go -- and then do it." -- Ann Landers, American advice columnist



TENTATIVE AGENDA  
CLEAR LAKE CITY COUNCIL  
CITY HALL – 15 N. 6<sup>TH</sup> STREET  
MONDAY, DECEMBER 2, 2013  
CITY HALL – COUNCIL CHAMBERS  
**6:30 P.M.**

1. Call To Order by Mayor Nelson P. Crabb.
2. Approval of Agenda.
3. Consent Agenda:
  - A. Minutes – November 18 & 25, 2013.
  - B. Approval of the bills & claims.
  - C. Licenses & Permits:
4. Citizen's opportunity to address the Council on items not on the agenda:
  - In conformance with the City Council's Rules of Procedure, no action can occur on items presented during the Citizens Forum.
  - Please walk to the lectern, state your name (spell last name), address, and subject of your discussion.
  - Speakers are limited to a maximum of five (5) minutes per person.
5. Unfinished Business:
6. New Business:
  - A. Municipal Audit Report 2013 Fiscal Year:
    - Introduction by Scott Flory, City Administrator.
    - Presentation of the FY 2013 Municipal Audit Report, Sarah Bohnsack – Bohnsack & Frommelt LLP.
    - **Motion** to accept the 2013 Municipal Audit Report by City Council.
    - Discussion and consideration of **Motion** by City Council.
  - B. Stop/Yield Sign Ordinance amendments:
    - Review of request, Greg Peterson, Police Chief.
    - Opportunity for public comment.
    - **Motion** to approve **Ordinance #808**, "An Ordinance amending the Code of Ordinances of the City of Clear Lake, Iowa, by amending provisions pertaining to Chapter 65.01 "Stop Signs" to include certain designated and enumerated locations and by amending the provisions relating to Chapter 65.04 by amending "Yield Signs" to

include certain additional and enumerated locations and by repealing provisions relating to one location” by City Council.

- Discussion and consideration of **Motion** by City Council. (1<sup>st</sup> reading).

7. Chief of Police’s Report:

8. Mayor’s Report:

9. Public Works Director’s Report:

10. City Administrator’s Report:

11. City Attorney’s Report:

12. Other Business:

13. Closed Session: Pursuant to Code of Iowa Section 21.5 (1)(j) to discuss the purchase of particular real estate.

14. Adjournment.

NEXT REGULAR MEETING – DECEMBER 16, 2013



**Bohnsack & Frommelt LLP**  
Certified Public Accountants

To the Honorable Mayor and  
Members of the City Council  
City of Clear Lake, Iowa  
Clear Lake, Iowa

In connection with our audit of the financial statements of the City of Clear Lake, Iowa as of and for the year ended June 30, 2013, we identified deficiencies in internal control over financial reporting (control deficiencies).

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Following is a description of identified control deficiencies that we determined did not constitute significant deficiencies or material weaknesses:

Receivables and Revenue Transactions

The Utility Billing Clerk has access to edit customer accounts; bill accounts receivable and collect receipts. The Accounting and Utility Billing Clerks also may bill other types of accounts receivable and collect receipts. All three employees may void a transaction. To strengthen the internal controls, we recommend the following:

- The City's cashier system currently does not require supervisory personnel to key in a password in order for employees collecting receipts to void a transaction in the system. We recommend adjusting the cash receipting module settings to require a password to be keyed in by supervisory personnel before a void transaction can be performed. At month-end, we recommend the Finance Officer review a system report that lists voids and verify that transactions were properly authorized.
- Employees with access to edit customer accounts and who bill for accounts receivable should not have access to receipts collection. We recommend reviewing current position assignments and considering removing the Utility Billing Clerk from all

receipting. All accounts receivable, including miscellaneous billings would then be assigned to the Utility Billing Clerk to bill and monitor which would also improve segregation of the Accounting and Utility Billing Clerks from billing and collection.

- One of the key controls over the utility billing customer account access is the separate review by the Office Clerk of the utility exception reports. We recommend formalizing this review by requiring the Finance Officer to sign and date the low usage report indicating her review. We recommend the Water Department Manager periodically review low usage reports for propriety.

#### Accounts Payable and Disbursement Transactions

The Accounting Clerk has access to the master vendor files, is responsible for entering new vendors, enters purchase orders, receives and enters invoices, processes accounts payable, generates checks, stamps signature, mails the checks and prepares the manual bank reconciliation.

Key compensating controls in place include management's and the City Council's review of the check register and related invoices, the Mayor's manual signature on the checks, and the Finance Officer's input of the electronic bank reconciliation. To further strengthen the internal controls, we recommend the following:

- The access to the master vendor files and the responsibility for entering new vendors should be designated to a position that has no other accounts payable or disbursement transaction responsibilities.
- Check sequence should be formally tracked and compared to the City Council packet.
- Ideally, checks once processed and signed by the Mayor should be designated to another position for second signature and mailing.

This communication is intended solely for the information and use of management, the City Council, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Bohnsack & Frommelt LLP*

Taylor Ridge, Illinois  
November 15, 2013



**Bohnsack & Frommelt LLP**  
Certified Public Accountants

November 15, 2013

To the Honorable Mayor  
And Members of City Council  
City of Clear Lake, Iowa  
Clear Lake, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Clear Lake, Iowa for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated June 14, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Clear Lake, Iowa are described in Note 1 to the financial statements. As discussed in Note 12, to the basic financial statements, the City adopted Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2013. As a result, the City reports a new financial statement element for deferred inflows of resources and refers to equity as net position. Our opinions are not modified with respect to this matter. No other significant new accounting policies were adopted and the application of existing policies was not changed during June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

**Other Postemployment Benefit Liability:** Management's estimate of the other postemployment benefit liability is based on an actuarial valuation computed based on employee-related factors such as turnover, retirement age, and mortality. These factors and an estimated discount rate and rate of return are based upon historical and general market data.

**Depreciable Useful Lives of Capital Assets:** Management's estimate of the useful lives of capital assets involves judgments and assumptions based on prior experience of estimated useful lives assigned.

We evaluated the key factors and assumptions used to develop the above estimates in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of commitments and contingencies in Note 11 to the financial statements refers to commitments made by the City that will have future financial impact.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no material misstatements.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 15, 2013 which is attached.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We have also issued a report on "Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*" and a report on "Independent Auditor's Report on Compliance For Each Major Federal Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133". Our findings are included in the City's Financial Report.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the City Council and management of City of Clear Lake, Iowa and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Bohnsack & Frommelt LLP*

# Representation Letter

---



# CITY OF CLEAR LAKE

15 North 6th Street • P.O. Box 185 • Clear Lake, IA 50428  
Phone (641) 357-5267 • Fax (641) 357-8711  
[www.cityofclearlake.com](http://www.cityofclearlake.com)

Mayor  
NELSON P.  
CRABB

November 15, 2013

City  
Administrator  
SCOTT  
FLORY

Bohnsack & Frommelt LLP  
9911 84<sup>th</sup> Street West  
Taylor Ridge, Illinois 61284

## COUNCIL MEMBERS

DANA  
BRANT  
Ward 1

TONY J.  
NELSON  
Ward 2

JIM  
BOEHNKE  
Ward 3

MIKE  
CALLANAN  
At Large

TERRY  
UNSWORTH  
At Large

This representation letter is provided in connection with your audits of the financial statements of City of Clear Lake, Iowa, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 15, 2013, the following representations made to you during your audit.

### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 14, 2013, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to



related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- 8) There were no uncorrected misstatements.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- a) Management,
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Government—specific**

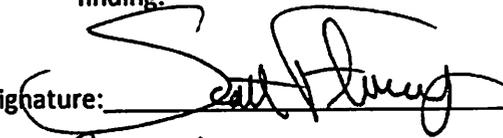
- 19) We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) There has been no fraud, violations of laws, regulations, contracts, or grant agreements, or abuse.
- 22) We have a process to track the status of audit findings and recommendations.
- 23) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 25) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 28) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possess suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.
- 29) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 30) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 31) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 32) The financial statements include all component units and properly disclose all other related organizations.
- 33) The financial statements properly classify all funds and activities.
- 34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

- 35) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 36) There are no derivative instruments or land and other real estate investments.
- 37) Provisions for uncollectible receivables have been properly identified and recorded.
- 38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 39) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 41) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 42) Capital assets, including infrastructure, are properly capitalized, reported, and, if applicable, depreciated.
- 43) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 45) We have not completed the process of evaluating the impact that will result from adopting Governmental Accounting Standards Board (GASB) Statement Nos. 66-70, as discussed in Note 12. The City is therefore unable to disclose the impact that adopting the new standards will have on its financial position and the results of its operations when adopted.
- 46) We believe that the newly adopted GASB Statement No.s 60-63 and No. 65 are properly implemented and adopted.
- 47) We agree with the findings of specialists in evaluating the other postemployment benefit estimates and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on independence or objectivity of the specialists.
- 48) We believe that the actuarial assumptions and methods used to measure OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 49) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 50) With respect to the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards :

- a) **We acknowledge our responsibility for presenting the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.**
  - b) **If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.**
- 51) With respect to federal award programs:**
- a) **We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.**
  - b) **We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.**
  - c) **If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.**
  - d) **We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.**
  - e) **We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.**
  - f) **We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.**

- g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.**
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.**
- i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.**
- j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.**
- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.**
- l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in *OMB Circular A-87, Cost Principles for State, Local, and Tribal Governments*, and *OMB's Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.**
- m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.**
- n) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.**
- o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.**
- p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.**
- q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.**
- r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.**
- s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.**
- t) We have charged costs to federal awards in accordance with applicable cost principles.**

- u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
- w) We are responsible for preparing and implementing a corrective action plan for each audit finding.

Signature:   
Title: City Administrator

Signature:   
Title: Finance Officer

ORDINANCE NO. \_\_\_\_

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF CLEAR LAKE, IOWA BY AMENDING PROVISIONS PERTAINING TO CHAPTER 65.01/STOP SIGN TO INCLUDE CERTAIN DESIGNATED AND ENUMERATED LOCATIONS AND BY AMENDING PROVISIONS RELATING TO CHAPTER 65.04 BY AMENDING TO INCLUDE CERTAIN ADDITIONAL AND ENUMERATED LOCATIONS AND BY REPEALING PROVISIONS RELATING TO ONE EXISTING LOCATION.

BE ENACTED by the City Council of the City of Clear Lake, Iowa:

**NEW SECTION.** The CODE OF ORDINANCES of the City of Clear Lake, Iowa is hereby amended by adding the following additional and enumerated locations to existing Chapter 65.01. Said enumerated and existing locations shall include:

**190. South 3<sup>rd</sup> Street.** Vehicles traveling on South 3<sup>rd</sup> Street shall stop at 25<sup>th</sup> Avenue South.

**191. South 3<sup>rd</sup> Street.** Vehicles traveling south on South 3<sup>rd</sup> Street shall stop at 26<sup>th</sup> Avenue South.

**192. 25<sup>th</sup> Avenue South.** Vehicles traveling west on 25<sup>th</sup> Avenue South shall stop at South Lakeview Drive.

**193. 26<sup>th</sup> Avenue South.** Vehicles traveling west on 26<sup>th</sup> Avenue South shall stop at South Lakeview Drive.

**SUBSECTION 2.** The CODE OF ORDINANCES of the City of Clear Lake, Iowa is hereby amended by adding the following additional and enumerated locations to existing Chapter 65.04/Yield. Said enumerated and existing locations shall include:

**54. North 24<sup>th</sup> Street.** Vehicles traveling on North 24<sup>th</sup> Street shall yield to vehicles in the roundabout at 16<sup>th</sup> Avenue North.

**55. 16<sup>th</sup> Avenue North.** Vehicles traveling East on 16<sup>th</sup> Avenue North shall yield to vehicles in the roundabout at North 24<sup>th</sup> Street.

**56. North 12<sup>th</sup> Street.** Vehicles traveling on North 12<sup>th</sup> Street shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**57. North 13<sup>th</sup> Street.** Vehicles traveling on North 13<sup>th</sup> Street shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**58. North 14<sup>th</sup> Street.** Vehicles traveling on North 14<sup>th</sup> Street shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**59. North 6<sup>th</sup> Street.** Vehicles traveling on North 6<sup>th</sup> Street shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**60. North 5<sup>th</sup> Street.** Vehicles traveling on North 5<sup>th</sup> Street shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**61. North 16<sup>th</sup> Street West.** Vehicles traveling on North 16<sup>th</sup> Street West shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**62. Shorewood Way.** Vehicles traveling on Shorewood Way shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**63. Clark Road.** Vehicles traveling on Clark Road shall yield to rail traffic at the railroad crossing located south of U.S. Highway #18.

**NEW SECTION/SUBSECTION REPEALED.** The Code of Ordinances of the City of Clear Lake, Iowa is hereby further amended by repealing Section 65.04 (39) which required vehicles traveling on 25<sup>th</sup> Avenue South to yield at South 3<sup>rd</sup> Street.

**SECTION 4. SEVERABILITY CLAUSE.** If any section, provision or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

**SECTION 5. WHEN EFFECTIVE.** This Ordinance shall be in effect from and after its final passage, approval and publication as provided by law.

Passed by the Council the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and approved this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

I certify that the foregoing was published as Ordinance No. \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
City Clerk