

**MINUTES  
SPECIAL COUNCIL MEETING  
STUDY SESSION - 2010 AUDIT  
COOK CITY COUNCIL  
JUNE 23, 2011 – CITY HALL – 4:30 PM**

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PRESENT: Acting Mayor Karen Hollanitsch, Councilors Jody Bixby, Kim Brunner and Elizabeth Storm  
ABSENT: Mayor Harold Johnston-excused  
OTHERS PRESENT: Administrator-Clerk/Treasurer Theresa Martinson, Deputy-Clerk/Treasurer Cindy Palm, Gary Giroux CPA – Walker, Giroux and Hahne, Ltd. and Maintenance Supervisor Bud Ranta

Acting Mayor Hollanitsch called the special council meeting to order at 5:00 p.m. to review and accept the 2010 Financial Audit presented by Gary Giroux of Walker, Giroux and Hahne.

The City of Cook projects for 2010 included development of the Cook Business Park, River Street Streetscape and continuing the Airport Runway Expansion. Federal Funding expenditures were \$2,167,527 resulting in increased net assets for the City of Cook. A special audit was done for these federal funds which resulted in a slightly higher audit expense for 2010.

The following information is provided from Walker Giroux and Hahne LTD in the *Management's Discussion and Analysis of December 31, 2010*.

#### Business-Type Activities

There was an increase in net assets of \$803,435 and operations produced an income of \$171,240 for December 31, 2010. Capital grants were received to fund major capital improvements for 2010.

#### Financial Analysis of the City's Funds

Governmental funds increased \$37,283 over last year's surplus of \$1,015,764. This year's total fund balance is a surplus of \$622,353 in the City's general fund. The general fund had an increase of \$82,307 while the airport runway capital projects fund recorded a fund balance decrease of \$118,206. The largest increase in the other governmental funds was in the ambulance special revenue fund.

#### General Fund Budgetary Highlights

Over the course of the year, the City did not revise the City's general fund budget. Actual expenditures were \$109,150 above the final budget amounts. The most significant negative variances occurred in the City's economic development, streets and culture and recreation programs. Resources available for appropriation were above the final budgeted amounts. The City received more taxes, intergovernmental, and contribution revenues than expected.

#### Capital Assets

On December 31, 2010 the City had \$13,172,877 invested in a broad range of capital assets (net of accumulated depreciation), including land, construction in progress, land improvements, buildings, infrastructure, and machinery and equipment. This amount represents a net increase (including additions and deductions) of \$2,475,917 over 2009.

## Proprietary Funds

The Water operating loss of (\$12,716) was the result of increased depreciation and insurance expense for the new water tower. These increased expenses will be adjusted for the 2011 budget. The Sewer operating income of \$26,288 was the result of increased operating revenues and maintaining operating expenses. Both accounts show overall net operating losses due to interest expense on funding for these accounts.

The council increased rates in April 2010 as advised by Gary Giroux of Walker, Giroux and Hahne to work towards breaking even in the net operating losses for water and sewer. Rates will be reviewed on an annual basis.

The refuse account is in-active with a balance of \$36,019 available for use.

The liquor store showed operating income of \$130,070 after depreciation.

After reviewing the proprietary funds, Gary Giroux recommended utilizing operating income from these funds to reduce debt.

Bank collateral is held with FHLB Des Moines for 2010. First National Bank collateralizes \$2 million with a letter of credit to protect the City's cash assets. Collateral is reviewed weekly and adjusted if cash is anticipated to increase or decrease by a large amount.

Motion by Storm, second by Brunner to approve and accept the 2010 Financial Statement for the City of Cook as prepared by Walker, Giroux & Hahne, Ltd. **MOTION CARRIED**

## **ADJOURNMENT**

Motion by Storm, second by Hollanitsch to adjourn the special meeting at 5:30 p.m.

**MOTION CARRIED**

Respectfully submitted,

Cindy Palm  
Deputy Clerk/Treasurer