



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

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Independent Accountant's Report on Applying Agreed Upon Procedures

To the Honorable Mayor and
Members of the City Council:

We have performed the following procedures, which were agreed to by the City of Balltown, solely to assist you in preparing the City's annual Street Finance Report for the year for the year ended June 30, 2008. The City of Balltown's management is responsible for the operating practices and procedures followed by the City and for the City's annual Street Finance Report.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures are summarized as follows:

1. We compared the July 1, 2007 balance of the Road Use Tax Fund as reported in the City's unaudited financial report for the year ended June 30, 2008 to the June 30, 2007 balance of the Road Use Tax Fund as reported in the City's unaudited financial report for the year ended June 30, 2007.
2. We compared the Road Use Tax Fund balances at July 1, 2007 and June 30, 2008 reported in the City's annual Street Finance Report for the year ended June 30, 2008 to the respective balances in the City's unaudited financial report for the year ended June 30, 2008.
3. We traced road use tax receipts reported in the City's annual Street Finance Report for the year ended June 30, 2008 to the road use tax proceeds received by the City during the year ended June 30, 2008.

Based on the performance of the procedures described above, no exceptions were noted.

We were not engaged to and did not conduct an audit of the operations of the City of Balltown, the objective of which would be the expression of an opinion on the financial statements of the City of Balltown. Accordingly, we do not express such an opinion. Had we performed additional procedures, or had we performed an audit of financial statements of the City of Balltown, other matters might have come to our attention that would have been reported to you.

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 Balltown and other parties to whom the City of Balltown 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 assistance extended to us by personnel of the City of Balltown. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

September 11, 2008