



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

April 2, 2007

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released an audit report on City of Olin, Iowa.

The City has implemented new reporting standards for the year ended June 30, 2006, with significant changes in content and structure of the financial statements. The new financial statements now include a Statement of Activities and Net Assets which provides information about the activities of the City as a whole. Also included is Management's Discussion and Analysis of the City's financial statements.

The City's receipts totaled \$544,656 for the year ended June 30, 2006. The receipts included \$232,754 from charges for service, \$95,436 from operating grants, contributions and restricted interest, \$18,523 from capital grants, contributions and restricted interest, \$145,607 in property tax, \$40,417 from local option sales tax, \$976 from unrestricted interest on investments and \$10,943 from other general receipts.

Disbursements for the year totaled \$514,620, and included \$103,753 for public works, \$65,508 for public safety and \$65,345 for general government. Also, disbursements for business type activities totaled \$166,334.

A copy of the report is available for review in the City Clerk's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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CITY OF OLIN

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS**

JUNE 30, 2006

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City of Olin

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 2006)		
David L. Cavey	Mayor	Jan 2006
Thomas Hefflefinger Jr.	Mayor Pro tem	Jan 2008
Pat Keating	Council Member	(Resigned)
David Fall	Council Member	Jan 2006
Ron Zimmerman	Council Member	Jan 2006
Frank O. Wood Jr. (Appointed)	Council Member	Nov 2007
Brett D. Anderson	Council Member	Jan 2008
(After January 2006)		
Ron Zimmerman	Mayor	Jan 2008
Frank O. Wood Jr.	Mayor Pro tem	Jan 2010
Thomas Hefflefinger Jr.	Council Member	(Resigned)
Greg Gerdes (Appointed)	Council Member	Nov 2007
David Fall	Council Member	(Resigned)
Krystal French (Appointed)	Council Member	Nov 2007
Brett D. Anderson	Council Member	Jan 2008
Zach Borst	Council Member	Jan 2010
Jean McPherson	City Clerk	Jan 2008
Adrian Knuth	Attorney	Jan 2008

City of Olin



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Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Olin, Iowa, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the City of Olin's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Also, as permitted by the Code of Iowa, the accounting records of the City have not been audited for all prior years. Accordingly, we were unable to satisfy ourselves as to the distribution by fund of the total fund balance at July 1, 2005.

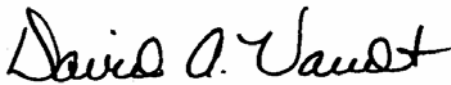
In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify the distribution by fund of the total fund balance at July 1, 2005, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Olin as of June 30, 2006, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

As described in Note 11, during the year ended June 30, 2006, the City adopted 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; Statement No. 38, Certain Financial Statement Note Disclosures; and Statement No. 41, Budgetary Comparison Schedule – Perspective Differences.


In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2007 on our consideration of the City of Olin's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 12 and 28 through 30 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Olin's basic financial statements. Other supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify the distribution by fund of the total fund balance at July 1, 2005, as discussed in the third paragraph, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 16, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Olin provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2006. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

Because the City is implementing new reporting standards for this fiscal year with significant changes in content and structure, and since the City is not required to be audited annually, much of the information is not easily comparable to prior years. Comparative data has been provided if available.

2006 FINANCIAL HIGHLIGHTS

- The cash basis net assets of the City's governmental activities increased 41%, or approximately \$44,000, due primarily to local option sales tax and a successful effort to limit disbursements from the General Fund.
- The cash basis net assets of the City's business type activities decreased 35%, or approximately \$14,000, due primarily to water tower repair during fiscal year 2006.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

The Government-wide Financial Statement consists of a Statement of Activities and Net Assets. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statement by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor governmental funds and the City's indebtedness.

BASIS OF ACCOUNTING

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

REPORTING THE CITY'S FINANCIAL ACTIVITIES

Government-wide Financial Statement

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Activities and Net Assets reports information which helps answer this question.

The Statement of Activities and Net Assets presents the City's net assets. Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities and Net Assets is divided into two kinds of activities:

- Governmental Activities include public safety, public works, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- Business Type Activities include the water and sewer systems. These activities are financed primarily by user charges.

Fund Financial Statements

The City has two kinds of funds:

1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Road Use Tax and Local Option Sales Tax, 3) the Debt Service Fund and 4) the Capital Projects Fund. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statement for governmental funds is a statement of cash receipts, disbursements and changes in cash balances.

2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business type activities. The City maintains two Enterprise Funds to provide separate information for the water and sewer funds, considered to be major funds of the City.

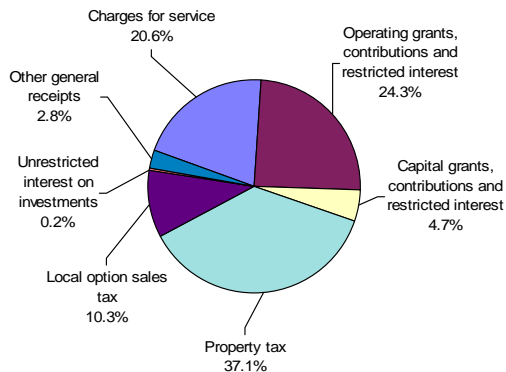
The required financial statement for proprietary funds is a statement of cash receipts, disbursements and changes in cash balances.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

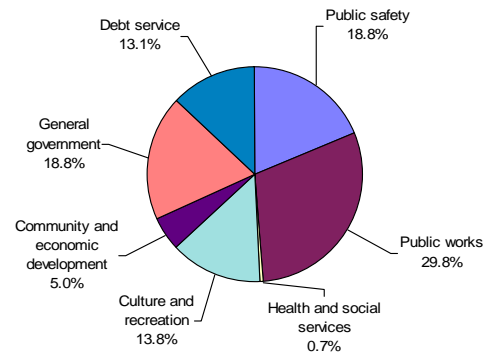
Net assets may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, increasing from \$108,845 to \$153,311. The analysis that follows focuses on the changes in cash basis net assets of governmental activities.

Changes in Cash Basis Net Assets of Governmental Activities	
	Year ended June 30, 2006
Receipts:	
Program receipts:	
Charges for service	\$ 80,850
Operating grants, contributions and restricted interest	95,436
Capital grants, contributions and restricted interest	18,523
General receipts:	
Property tax	145,607
Local option sales tax	40,417
Unrestricted interest on investments	976
Other general receipts	10,943
Total receipts	392,752
Disbursements:	
Public safety	65,508
Public works	103,753
Health and social services	2,584
Culture and recreation	47,967
Community and economic development	17,558
General government	65,345
Debt service	45,571
Total disbursements	348,286
Increase in cash basis net assets	44,466
Cash basis net assets beginning of year	108,845
Cash basis net assets end of year	\$ 153,311

Receipts by Source



Disbursements by Function



The cash basis net assets for the City's governmental funds increased by approximately \$44,000, due primarily to local option sales tax and a successful effort to limit General Fund disbursements.

Changes in Cash Basis Net Assets of Business Type Activities	
	Year ended June 30, 2006
Receipts:	
Program receipts:	
Charges for service:	
Water	\$ 86,274
Sewer	65,630
Total receipts	<u>151,904</u>
Disbursements:	
Water	111,959
Sewer	54,375
Total disbursements	<u>166,334</u>
Decrease in cash basis net assets	(14,430)
Cash basis net assets beginning of year	<u>41,182</u>
Cash basis net assets end of year	<u>\$ 26,752</u>

The cash basis net assets of the City's business type activities decreased by approximately \$14,000, due primarily to water tower repair during fiscal year 2006.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Olin completed the year, its governmental funds reported a combined fund balance of \$153,311, an increase of \$44,466 over last year's total of \$108,845. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased \$12,489 over the prior year to \$17,915. The increase is, in part, due to reduced spending during fiscal year 2006.
- The Special Revenue, Road Use Tax Fund cash balance increased \$18,711 to \$52,113 during the fiscal year. The increase is due to reduced spending and no planned improvement projects during fiscal year 2006.
- The Special Revenue, Local Option Sales Tax Fund cash balance increased \$16,167 to \$68,934 during the fiscal year. No infrastructure improvements were scheduled in fiscal year 2006.
- The Debt Service Fund cash balance decreased \$108 from the prior year's \$7,803 balance. This was not a significant decrease.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Water Fund cash balance decreased \$25,685 to a deficit of \$9,927, due primarily to repairs to the water tower.
- The Sewer Fund cash balance increased \$11,255 to \$36,679, due primarily to reduced spending during the fiscal year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City did not amend its budget. The City exceeded the amount budgeted in the public safety, culture and recreation, general government and business type activities functions. Public safety exceeded its budget due to unexpected disbursements. The culture and recreation and general government functions exceeded the budgets due to unexpected increases in disbursements. The business type activities exceeded its budget due to the water tower repair.

Total disbursements were \$6,044 in excess of the budget. Disbursements in the public works function were \$28,804 less than budgeted. This was due primarily to having no improvement projects scheduled during the fiscal year 2006.

DEBT ADMINISTRATION

At June 30, 2006, the City had \$216,281 in outstanding notes and other long-term debt outstanding, compared to \$248,148 last year, as shown below.

Outstanding Debt at Year-End		
	June 30,	
	2006	2005
General obligation notes:		
Water Improvements	\$ 55,000	70,000
Sewer Improvements	138,395	147,634
Bank loan:		
Street equipment	22,886	30,514
Total	\$ 216,281	248,148

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City’s corporate limits. The City’s outstanding general obligation debt of \$216,281 is well below its constitutional debt limit of \$949,231.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Several factors were considered when formulating the FY 2007 budget:

- The FY2007 budget contains receipts totaling \$543,171 and disbursements totaling \$524,539.
- The FY2007 levy is \$8.10 per \$1,000 of taxable valuation, the same as in FY2006. However, this maximum levy is not supporting the City’s general operating expenses. The City levied the amounts necessary for insurance, totaling approximately \$8,000, and other employee benefits, totaling approximately \$14,000.

- The City applied for Community Development Block Grant (CDBG) program funding totaling approximately \$200,000 for housing rehabilitation improvements. However, no funding was awarded.
- In November 2006, a resolution was passed to proceed with applying to obtain funding for the construction of a new wastewater treatment facility. State Revolving Loan Funds have been approved for the planning and design portion of the project. CDBG funding is still pending. The Council will decide in February 2007 whether to move forward with planning and development regardless of the CDBG funding approval.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jean McPherson, City Clerk, PO Box 301, 303 Jackson St, Olin, Iowa 52320-0301.

Basic Financial Statements

City of Olin

Statement of Activities and Net Assets – Cash Basis

As of and for the year ended June 30, 2006

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions/Programs:				
Governmental activities:				
Public safety	\$ 65,508	42,169	30,862	-
Public works	103,753	34,690	61,461	-
Health and social services	2,584	-	-	-
Culture and recreation	47,967	3,211	3,113	-
Community and economic development	17,558	-	-	18,523
General government	65,345	780	-	-
Debt service	45,571	-	-	-
Total governmental activities	348,286	80,850	95,436	18,523
Business type activities:				
Water	111,959	86,274	-	-
Sewer	54,375	65,630	-	-
Total business type activities	166,334	151,904	-	-
Total	\$ 514,620	232,754	95,436	18,523
General Receipts:				
Property and other city tax levied for:				
General purposes				
Debt service				
Local option sales tax				
Unrestricted interest on investments				
Miscellaneous				
Total general receipts				
Change in cash basis net assets				
Cash basis net assets beginning of year				
Cash basis net assets end of year				
Cash Basis Net Assets				
Restricted:				
Streets				
Debt service				
Other purposes				
Customer deposits				
Unrestricted				
Total cash basis net assets				

See notes to financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business Type Activities	Total
7,523	-	7,523
(7,602)	-	(7,602)
(2,584)	-	(2,584)
(41,643)	-	(41,643)
965	-	965
(64,565)	-	(64,565)
(45,571)	-	(45,571)
(153,477) [¶]	-	(153,477)
-	(25,685)	(25,685)
-	11,255	11,255
-	(14,430)	(14,430)
(153,477)	(14,430)	(167,907)
100,144	-	100,144
45,463	-	45,463
40,417	-	40,417
976	-	976
10,943	-	10,943
197,943	-	197,943
44,466	(14,430)	30,036
108,845	41,182	150,027
\$ 153,311	26,752	180,063
\$ 52,113	-	52,113
7,695	-	7,695
83,458	-	83,458
-	2,021	2,021
10,045	24,731	34,776
\$ 153,311	26,752	180,063

City of Olin

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2006

	Special Revenue		
	General	Road Use Tax	Local Option Sales Tax
Receipts:			
Property tax	\$ 79,378	-	-
Other city tax	13,829	-	40,417
Licenses and permits	803	-	-
Use of money and property	2,156	-	-
Intergovernmental	34,945	59,953	-
Charges for service	76,690	-	-
Miscellaneous	15,482	-	-
Total receipts	<u>223,283</u>	<u>59,953</u>	<u>40,417</u>
Disbursements:			
Operating:			
Public safety	54,172	-	-
Public works	55,580	41,242	-
Health and social services	2,584	-	-
Culture and recreation	47,334	-	-
Community and economic development	17,558	-	-
General government	57,816	-	-
Debt service	-	-	-
Total disbursements	<u>235,044</u>	<u>41,242</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(11,761)</u>	<u>18,711</u>	<u>40,417</u>
Other financing sources (uses):			
Operating transfers in	24,250	-	-
Operating transfers out	-	-	(24,250)
Total other financing sources (uses)	<u>24,250</u>	<u>-</u>	<u>(24,250)</u>
Net change in cash balances	12,489	18,711	16,167
Cash balances beginning of year	5,426	33,402	52,767
Cash balances end of year	<u>\$ 17,915</u>	<u>52,113</u>	<u>68,934</u>
Cash Basis Fund Balances			
Reserved for debt service	\$ -	-	-
Unreserved:			
General fund	17,915	-	-
Special revenue funds	-	52,113	68,934
Capital projects fund	-	-	-
Total cash basis fund balances	<u>\$ 17,915</u>	<u>52,113</u>	<u>68,934</u>

See notes to financial statements.

Debt Service	Nonmajor	Total
45,463	7,935	132,776
-	788	55,034
-	-	803
-	-	2,156
-	-	94,898
-	-	76,690
-	14,913	30,395
45,463	23,636	392,752
-	11,336	65,508
-	6,931	103,753
-	-	2,584
-	633	47,967
-	-	17,558
-	7,529	65,345
45,571	-	45,571
45,571	26,429	348,286
(108)	(2,793)	44,466
-	-	24,250
-	-	(24,250)
-	-	-
(108)	(2,793)	44,466
7,803	9,447	108,845
7,695	6,654	153,311
7,695	-	7,695
-	-	17,915
-	4,753	125,800
-	1,901	1,901
7,695	6,654	153,311

City of Olin

City of Olin

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2006

	Enterprise		
	Water	Sewer	Total
Operating receipts:			
Charges for service	\$ 75,190	63,990	139,180
Miscellaneous	11,084	1,640	12,724
Total operating receipts	86,274	65,630	151,904
Operating disbursements:			
Business type activities	111,959	54,375	166,334
Net change in cash balances	(25,685)	11,255	(14,430)
Cash balances beginning of year	15,758	25,424	41,182
Cash balances end of year	\$ (9,927)	36,679	26,752
Cash Basis Fund Balances			
Reserved for customer deposits	\$ 2,021	-	2,021
Unreserved	(11,948)	36,679	24,731
Total cash basis fund balances	\$ (9,927)	36,679	26,752

See notes to financial statements.

City of Olin

Notes to Financial Statements

June 30, 2006

(1) Summary of Significant Accounting Policies

The City of Olin is a political subdivision of the State of Iowa located in Jones County. It was first incorporated in 1835 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, City of Olin has included all funds, organizations, 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.

These financial statements present the City of Olin (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.

Blended Component Unit

The Olin Ambulance Booster Association has been incorporated under the provisions of the Iowa Nonprofit Corporation Act, Chapter 504A of the Code of Iowa, for the purpose of supporting ambulance service in the Olin community and performing such other duties as set forth by the Board of Directors. In accordance with criteria set by the Governmental Accounting Standards Board, the Olin Ambulance Booster Association meets the definition of a component unit which should be blended. The financial activity for the account held by the component unit has been blended as a Special Revenue Fund of the City.

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: Jones County Assessor's Conference Board, Jones County Emergency Management Commission and Jones County Joint E911 Service Board.

B. Basis of Presentation

Government-wide Financial Statement - The Statement of Activities and Net Assets reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in two categories:

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets not meeting the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities and Net Assets demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements - Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts 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 disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Road Use Tax Fund is used to account for road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the 40% of the dollars collected for infrastructure improvements.

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

The City reports the following major proprietary funds:

The Water Fund accounts for the operation and maintenance of the City's water system.

The Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

C. Measurement Focus and Basis of Accounting

The City of Olin maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2006, disbursements exceeded the amounts budgeted in the public safety, culture and recreation, general government and business type activities functions.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2006 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.

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Notes Payable

Annual debt service requirements to maturity for general obligation notes are as follows:

Year Ending June 30,	Principal	Interest	Total
2007	\$ 24,237	11,038	35,275
2008	29,237	9,667	38,904
2009	29,237	8,015	37,252
2010	9,237	6,364	15,601
2011	9,237	5,833	15,070
2012 - 2016	46,185	21,199	67,384
2017 - 2020	46,025	7,399	53,424
Total	\$ 193,395	69,515	262,910

(4) Loan Agreements

On December 17, 2004, the City entered in a loan agreement with a local bank for \$38,143. These funds were used to purchase a New Holland tractor with loader and blade. The loan bears 4.25% per annum interest and matures on June 1, 2009. The loan will be repaid equally from the General, Road Use Tax, Water and Sewer Funds. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2007	\$ 7,629	973	8,602
2008	7,629	649	8,278
2009	7,628	324	7,952
Total	\$ 22,886	1,946	24,832

(5) 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.

Most regular plan members are required to contribute 3.70% of their annual covered salary and the City is required to contribute 5.75% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contribution to IPERS for the year ended June 30, 2006 was \$3,478, equal to the required contribution for the year.

(6) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation payable to employees at June 30, 2006, primarily relating to the General Fund, is \$2,000. This liability has been computed based on rates of pay in effect at June 30, 2006.

(7) Risk Management

The City is 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 any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in the year ended June 30, 2006.

(8) Deficit Balances

Deficit balances at June 30, 2006 were as follows:

Fund	Cash Basis Unreserved Fund Balance (Deficit) June 30, 2006
Special Revenue:	
Employee Benefits	\$ (7,870)
Enterprise:	
Water	(11,948)

The Special Revenue, Employee Benefits Fund deficit is the result of disbursements exceeding the amount levied during the fiscal year. The deficit will be eliminated through a transfer from the Special Revenue, Local Option Sales Tax Fund.

The Enterprise, Water Fund deficit is the result of water tower repair during fiscal year 2006. The deficit will be eliminated through a transfer from the Special Revenue, Local Option Sales Tax Fund.

(9) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2006 are as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Local Option Sales Tax	\$ 24,250

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

(10) Operation and Maintenance Agreement for Water and Wastewater Treatment Facilities

Beginning October 1, 2003, the City entered into an agreement with Waste Management Services to provide all routine operation and maintenance of the City's water and wastewater treatment facilities on a seven day per week basis. The term of the agreement is for three years beginning October 1, 2003. The City has agreed to pay \$3,300 per month for these services.

(11) Accounting Change

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; Statement No. 38, Certain Financial Statement Note Disclosures, and Statement No. 41, Budgetary Comparison Schedule – Perspective Differences, were implemented for the year ended June 30, 2006. The statements create new basic financial statements for reporting the City's financial activities. The financial statements now include a government-wide financial statement and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

Implementation of these standards had no effect on the beginning balances of the City.

City of Olin

Required Supplementary Information

City of Olin
 Budgetary Comparison Schedule
 of Receipts, Disbursements, and Changes in Balances -
 Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year ended June 30, 2006

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 124,841	-	-
Other city tax	62,969	-	-
Licenses and permits	803	-	-
Use of money and property	2,156	-	-
Intergovernmental	94,898	-	-
Charges for service	76,690	139,180	-
Miscellaneous	30,395	12,724	2,272
Total receipts	392,752	151,904	2,272
Disbursements:			
Public safety	65,508	-	3,630
Public works	103,753	-	-
Health and social services	2,584	-	-
Culture and recreation	47,967	-	-
Community and economic development	17,558	-	-
General government	65,345	-	-
Debt service	45,571	-	-
Business type activities	-	166,334	-
Total disbursements	348,286	166,334	3,630
Excess (deficiency) of receipts over (under) disbursements	44,466	(14,430)	(1,358)
Balances beginning of year	108,845	41,182	2,747
Balances end of year	\$ 153,311	26,752	1,389

See accompanying independent auditor's report.

Total	Budgeted Amounts Original and Final	Final to Total Variance
124,841	138,959	(14,118)
62,969	42,427	20,542
803	1,355	(552)
2,156	1,300	856
94,898	126,170	(31,272)
215,870	204,980	10,890
40,847	3,400	37,447
542,384	518,591	23,793
61,878	52,842	(9,036)
103,753	132,557	28,804
2,584	4,080	1,496
47,967	34,766	(13,201)
17,558	29,500	11,942
65,345	57,476	(7,869)
45,571	46,466	895
166,334	147,259	(19,075)
510,990	504,946	(6,044)
31,394	13,645	17,749
147,280	165,359	(18,079)
178,674	179,004	(330)

City of Olin

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2006

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the blended component unit. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business type activities and non-program. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund and the Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. The City did not amend its budget during the year ended June 30, 2006.

During the year ended June 30, 2006, disbursements exceeded the amounts budgeted in the public safety, culture and recreation, general government and business type activities functions.

Other Supplementary Information

City of Olin

Schedule of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2006

	Special Revenue			
	Employee Benefits	Olin Hose Company	Olin Ambulance Boosters	Olin Library Memorial Fund
Receipts:				
Property tax	\$ 7,935	-	-	-
Other city tax	788	-	-	-
Miscellaneous	-	12,221	2,272	420
Total receipts	8,723	12,221	2,272	420
Disbursements:				
Operating:				
Public safety	-	7,706	3,630	-
Public works	6,931	-	-	-
Culture and recreation	10	-	-	623
General government	7,529	-	-	-
Total disbursements	14,470	7,706	3,630	623
Net change in cash balances	(5,747)	4,515	(1,358)	(203)
Cash balances beginning of year	(2,123)	5,386	2,747	1,536
Cash balances end of year	\$ (7,870)	9,901	1,389	1,333
Cash Basis Fund Balances				
Unreserved:				
Special revenue funds	\$ (7,870)	9,901	1,389	1,333
Capital projects fund	-	-	-	-
Total cash basis fund balances	\$ (7,870)	9,901	1,389	1,333

See accompanying independent auditor's report.

<u>Capital Projects</u>	
<u>Elkford Wildlife Wetland</u>	<u>Total</u>
-	7,935
-	788
-	14,913
-	<u>23,636</u>
-	11,336
-	6,931
-	633
-	7,529
-	<u>26,429</u>
-	(2,793)
1,901	<u>9,447</u>
1,901	<u>6,654</u>
-	4,753
1,901	<u>1,901</u>
1,901	<u>6,654</u>

City of Olin
Schedule of Indebtedness
Year ended June 30, 2006

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation notes:			
Water improvements	Jun 1, 1998	5.60%	\$ 160,000
Sewer improvements	Mar 1, 2002	5.75	175,000
Total			
Bank loan:			
Street equipment	Dec 17, 2004	4.25%	\$ 38,143

See accompanying independent auditor's report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
70,000	-	15,000	55,000	3,920
147,634	-	9,239	138,395	8,487
<hr/>				
\$ 217,634	-	24,239	193,395	12,407
<hr/>				
30,514	-	7,628	22,886	1,297
<hr/>				

Schedule 3

City of Olin
 Note Maturities
 June 30, 2006

Year Ending June 30,	General Obligation Notes					
	Water Improvements			Sewer Improvements		
	Issued June 1, 1998			Issued March 1, 2002		
	Interest Rates		Amount	Interest Rates		Amount
2007	5.60%	\$ 15,000	5.75%	\$ 9,237	\$ 24,237	
2008	5.60	20,000	5.75	9,237	29,237	
2009	5.60	20,000	5.75	9,237	29,237	
2010	-	-	5.75	9,237	9,237	
2011	-	-	5.75	9,237	9,237	
2012	-	-	5.75	9,237	9,237	
2013	-	-	5.75	9,237	9,237	
2014	-	-	5.75	9,237	9,237	
2015	-	-	5.75	9,237	9,237	
2016	-	-	5.75	9,237	9,237	
2017	-	-	5.75	9,237	9,237	
2018	-	-	5.75	9,236	9,236	
2019	-	-	5.75	9,236	9,236	
2020	-	-	5.75	18,316	18,316	
Total		\$ 55,000		\$ 138,395	\$ 193,395	

See accompanying independent auditor's report.



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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Independent Auditor's 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

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Olin, Iowa, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements listed in the table of contents, and have issued our report thereon dated January 16, 2007. Our report on the financial statements, which were prepared in conformity with an other comprehensive basis of accounting, expressed qualified opinions since we were unable to satisfy ourselves as to the distribution by fund of the total fund balance at July 1, 2005.

Except as noted in the Independent Auditor's Report, we conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Olin's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Olin's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we believe items (A), (B) and (D) are material weaknesses.

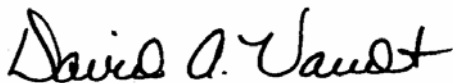
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Olin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in the accompanying Schedule of Findings.

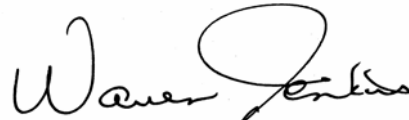
Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2006 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions 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.

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 Olin and other parties to whom City of Olin 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 Olin 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.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 16, 2007

City of Olin
Schedule of Findings
Year ended June 30, 2006

Findings Related to the Financial Statements:

REPORTABLE CONDITIONS:

(A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. Generally, one person has control over each of the following areas:

- (1) Cash – reconciling bank accounts, initiating cash receipts and disbursement transactions and handling and recording cash.
- (2) Receipts – collecting, depositing, journalizing and posting.
- (3) Utility receipts – billing, collecting, depositing, posting and reconciling.
- (4) Disbursements – purchasing, check signing, recording and reconciling.
- (5) Payroll – preparing and distributing.
- (6) Transfers – recording and reconciling.
- (7) Financial reporting – preparing, reconciling and distributing.
- (8) Accounting system – performing all general accounting functions and having custody of City assets.
- (9) Information system (computer usage) – performing all general accounting functions and controlling all data input and output.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. Evidence of review of reconciliations should be indicated by initials of the independent reviewer and the date of the review.

Response – The Council will become more involved on committees and will review reports for approval prior to Council meetings.

Conclusion – Response accepted.

(B) Reconciliation of Utility Billings, Collection and Delinquencies – Utility billings, collections and delinquent accounts were not reconciled throughout the year. Also, utility collections were not reconciled to deposits.

City of Olin

Schedule of Findings

Year ended June 30, 2006

Recommendation – Procedures should be established to reconcile utility billings, collections and delinquencies for each billing period and to reconcile collections to deposits. The Council or a Council-designated independent person should review the reconciliations and monitor delinquencies.

Response – The City will be going back to July 1, 2006 and reconcile monthly the utility billings, collections and delinquencies. This will be an ongoing process and reports will be given to the water/sewer committee (2 of the 5 council persons) for review and approval prior to monthly Council meetings. The approved reports will be presented at monthly Council meetings.

Conclusion – Response accepted.

- (C) Information System – The following weaknesses in the City’s computer-based systems were noted:

The City does not have written policies for:

- 1) Requiring password changes every 60 to 90 days or to maintain password privacy and confidentially. The City’s software does not require the user to periodically change log-ins/passwords.
- 2) Requiring a time out and/or log off function or screen saver password to protect a terminal if left unattended.
- 3) A disaster recovery plan.

Recommendation – The City should develop written policies addressing the above items in order to improve the City’s control over its information system.

Response – The City will develop policies to be included in the employee handbook outlining password changes, time out and log off guidelines. The City will develop a disaster recovery plan.

Conclusion – Response accepted.

- (D) Bank Reconciliations – The Clerk’s balances are not reconciled to the bank accounts and investments monthly.

Recommendation – To improve financial accountability and control, a monthly report should be prepared for Council review and approval, including fund balances, budget to actual information and a reconciliation of fund balances to the bank balances.

Response – Going back to July 1, 2006, all bank statements will be reconciled and a monthly financial report will be given to the finance committee (2 of 5 council persons) to be approved and distributed at Council meetings.

Conclusion – Response accepted.

City of Olin

Schedule of Findings

Year ended June 30, 2006

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

City of Olin

Schedule of Findings

Year ended June 30, 2006

Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2006 exceeded the amounts budgeted in the public safety, culture and recreation, general government and business type activities functions. Chapter 384.20 of the Code of Iowa states, in part, “Public monies may not be expended or encumbered except under an annual or continuing appropriation.”

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

Response – Much closer attention will be paid to the budget and actual disbursements (with the assistance of monthly financial reports and finance committee). Amendments will be approved prior to exceeding the budget.

Conclusion – Response accepted.

- (2) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (3) Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- (4) Business Transactions – No business transactions between the City and City officials or employees were noted.
- (5) 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 the coverage is adequate for current operations.
- (6) Council Minutes – No transactions were found which we believe should have been approved in the Council minutes but were not.

The Council went into closed session on April 10, 2006. However, the minutes record did not document the specific information regarding the closed session as required by Chapter 21 of the Code of Iowa, commonly known as the open-meetings law.

The Library, Ambulance, Park, Historical Commission and Economic Development Commission minutes were not signed.

Recommendation – The City should comply with Chapter 21 of the Code of Iowa and the Library, Ambulance, Park, Historical Commission and Economic Development Commission minutes should be signed indicating approval of the content.

City of Olin

Schedule of Findings

Year ended June 30, 2006

Response – All boards/commissions going forward will be informed of the necessity for signing minutes and the Clerk will monitor them for signatures and follow up when needed. Also, going forward any closed session will be documented in the minutes including requirements of Chapter 21 of the Code of Iowa.

Conclusion – Response accepted.

- (7) Deposits and Investments – Except as noted, 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.

Although the City has adopted an investment policy, Section 9 of the policy states the investment policy shall reviewed every two years. The investment policy was adopted in 2001 and has not been reviewed as required.

Recommendation – The City should review the investment policy and take appropriate actions to correct these matters.

Response – The investment policy will be reviewed at the February Council meeting and make any needed updates. Also the City will maintain a register of all investments and in the register include documentation of interest and deposit receipts.

Conclusion – Response accepted.

- (8) Financial Condition – At June 30, 2006, the City had deficit unreserved fund balances in the following funds:

		Unreserved
		Deficit Fund Balance
Fund		June 30, 2006
Special Revenue:		
Employee Benefit		\$ (7,870)
Enterprise:		
Water		(11,948)

Recommendation – The City should investigate alternatives to eliminate these deficits and should continue to monitor the accounts to ensure they return to a sound financial condition.

City of Olin

Schedule of Findings

Year ended June 30, 2006

Response – In accordance with the Voters Abstract of 1995 when the local option sales tax was approved, a percentage of this is for property tax relief. A transfer will be made from the Special Revenue, Local Option Sales Tax Fund to the Special Revenue, Employee Benefits Fund to eliminate the deficit. Going forward in fiscal year 2008 the levied amount for employee benefits will be adjusted to adequately cover employee benefits. Also, a transfer will be approved from the Special Revenue, Local Option Sales Tax Fund to the Enterprise, Water Fund to cover infrastructure improvements made in the prior year.

Conclusion – Response accepted.

- (9) Annual Financial Report – The City did not file the annual financial report for the fiscal year ended June 30, 2006. Chapter 384.22 of the Code of Iowa requires the report be filed with the Auditor of State not later than December 1 of each year.

Recommendation – The City should file the annual report as required by Chapter 384.22 of the Code of Iowa.

Response – The Annual Financial Report will be completed and filed going forward prior to December 1st.

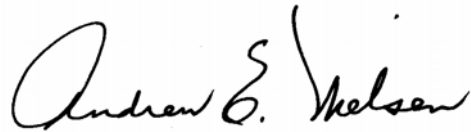
Conclusion – Response accepted.

City of Olin

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager
Daniel L. Grady, Staff Auditor
Shelley M. Allen, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State