



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

David A. Vaudt, CPA  
Auditor of State

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Des Moines, Iowa 50319-0004

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**NEWS RELEASE**

FOR RELEASE April 25, 2003

Contact: Andy Nielsen  
515/281-5515

The Office of Auditor of State today released an audit report on the City of Wyoming, Iowa.

The City's receipts totaled \$1,241,936 for the year ended June 30, 2002. The receipts included \$106,897 in property tax, \$73,107 from the state, \$128,980 from the federal government, \$150,650 in charges for service, \$703,141 from donations and contributions from individuals and trusts, and \$14,229 in interest on investments. The City also received sewer revenue bond proceeds of \$235,258 that are reported as an other financing source.

Disbursements for the year totaled \$835,736, and included \$48,077 for community protection, \$194,811 for human development, \$518,930 for home and community environment and \$73,918 for policy and administration.

This report contains recommendations to the City Council and other City officials. For example, duties among employees should be segregated to prevent individual employees from handling duties that are incompatible. A copy of the audit report is available for review in the office of the Auditor of State and the City Clerk's office.

# # #



**CITY OF WYOMING**

**INDEPENDENT AUDITOR'S REPORTS**  
**FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**JUNE 30, 2002**

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**City of Wyoming**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>(Before January 2002)</b>		
Stuart Ireland	Mayor	Jan 2002
Brian Podhaski	Council Member	Jan 2002
Laurel Bahnsen	Council Member	Jan 2002
Susan Ellison	Council Member	Jan 2002
Steve Heiken	Council Member	Jan 2004
Alva Husmann	Council Member	Jan 2004
Sheri Tjaden	Clerk	Indefinite
Janette Voss	Attorney	Indefinite
<b>(After January 2002)</b>		
Stuart Ireland	Mayor	Jan 2004
Steven Heiken	Council Member	Jan 2004
Alva Husmann	Council Member	Jan 2004
Susan Ellison	Council Member	Jan 2006
Allen Husmann	Council Member	Jan 2006
Tim Miller	Council Member	Jan 2006
Sheri Tjaden	Clerk	Indefinite
Janette Voss	Attorney	Indefinite

**City of Wyoming**



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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, listed as exhibits in the table of contents of this report, of the City of Wyoming, Iowa, as of and for the year ended June 30, 2002. These financial statements are the responsibility of the City of Wyoming's management. Our responsibility is to express an opinion 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, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions 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 that our audit provides a reasonable basis for our opinion.

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, 2001.

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, 2001, as discussed in the preceding paragraph, the aforementioned financial statements present fairly, in all material respects, the results of the cash transactions of the funds of the City of Wyoming as of and for the year ended June 30, 2002, and its indebtedness at June 30, 2002, on the basis of accounting described in note 1.

In accordance with Government Auditing Standards, we have also issued our report dated February 19, 2003 on our consideration of the City of Wyoming's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the aforementioned financial statements taken as a whole. The supplemental information included in Schedules 1 through 6, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the aforementioned financial statements taken as a whole.

February 19, 2003

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

**City of Wyoming**



## **Financial Statements**

City of Wyoming  
 Combined Statement of Cash Transactions  
 All Fund Types  
 Year ended June 30, 2002

	Governmental Fund	
	General	Special Revenue
<b>Receipts:</b>		
Property tax	\$ 96,670	10,227
Other city tax	-	33,433
Licenses and permits	2,420	-
Use of money and property	4,878	-
Intergovernmental	36,880	78,214
Charges for service	28,590	-
Miscellaneous	15,959	3,000
Total receipts	185,397	124,874
<b>Disbursements:</b>		
Community Protection Program	36,479	11,598
Human Development Program	18,930	-
Home and Community Environment Program	46,402	56,393
Policy and Administration Program	70,214	3,704
Total disbursements	172,025	71,695
Excess (deficiency) of receipts over (under) disbursements	13,372	53,179
<b>Other financing sources (uses):</b>		
Sewer revenue bond proceeds	-	-
Operating transfers in	3,419	-
Operating transfers out	(3,369)	(301)
Total other financing sources (uses)	50	(301)
Excess of receipts and other financing sources over disbursements and other financing uses	13,422	52,878
Balance beginning of year	99,090	103,628
Balance end of year	\$ 112,512	156,506

See notes to financial statements.

Capital Projects	Proprietary Fund Types Enterprise	Fiduciary Fund Type Expendable Trust	Total (Memorandum Only)
-	-	-	106,897
-	-	-	33,433
-	-	-	2,420
-	1,708	10,603	17,189
99,411	-	-	214,505
-	122,060	-	150,650
310	12,675	684,898	716,842
99,721	136,443	695,501	1,241,936
-	-	-	48,077
-	-	175,881	194,811
327,646	88,489	-	518,930
-	-	-	73,918
327,646	88,489	175,881	835,736
(227,925)	47,954	519,620	406,200
235,258	-	-	235,258
301	181	-	3,901
-	(200)	(31)	(3,901)
235,559	(19)	(31)	235,258
7,634	47,935	519,589	641,458
(309)	71,547	102,657	376,613
7,325	119,482	622,246	1,018,071

City of Wyoming

Comparison of Receipts, Disbursements and Changes in Balances -

Actual to Budget

Year ended June 30, 2002

	Actual	Amended Budget
<b>Receipts:</b>		
Property tax	\$ 106,897	101,422
Other city tax	33,433	32,225
Licenses and permits	2,420	1,550
Use of money and property	17,189	387,219
Intergovernmental	214,505	739,264
Charges for service	150,650	156,828
Miscellaneous	716,842	8,250
Total receipts	1,241,936	1,426,758
<b>Disbursements:</b>		
Community Protection Program	48,077	49,797
Human Development Program	194,811	412,822
Home and Community Environment Program	518,930	862,667
Policy and Administration Program	73,918	74,184
Total disbursements	835,736	1,399,470
Excess of receipts over disbursements	406,200	27,288
Other financing sources, net	235,258	-
Excess of receipts and other financing sources over disbursements and other financing uses	641,458	27,288
Balance beginning of year	376,613	-
Balance end of year	\$1,018,071	27,288

See notes to financial statements.

<u>Variance</u> <u>Favorable</u> <u>Unfavorable)</u>	<u>Actual as %</u> <u>of Amended</u> <u>Budget</u>
5,475	105%
1,208	104%
870	156%
(370,030)	4%
(524,759)	29%
(6,178)	96%
<u>708,592</u>	<u>8689%</u>
<u>(184,822)</u>	<u>87%</u>
1,720	97%
218,011	47%
343,737	60%
266	100%
<u>563,734</u>	<u>60%</u>

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City of Wyoming  
Statement of Indebtedness  
Year ended June 30, 2002

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
Revenue bonds: Sewer	Feb 12, 2001	4.3%	\$ 245,822
Deferred payment contract: Land purchase	Aug 22, 2001	None	\$ 11,000
Lease-purchase agreement: Tractor/loader	Jan 28, 1997	6.2%	\$ 25,073

See notes to financial statements.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
10,564	235,258	-	245,822	4,089
-	11,000	2,750	8,750	-
4,816	-	4,816	-	952

**City of Wyoming**



City of Wyoming

Notes to Financial Statements

June 30, 2002

**(1) Summary of Significant Accounting Policies**

The City of Wyoming is a political subdivision of the State of Iowa located in Jones County. It was first incorporated in 1855 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, culture, recreation, public improvements and general administrative services.

A. Reporting Entity

For financial reporting purposes, the City of Wyoming 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. The City has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations

The City participates in several jointly governed organizations for which the City is not financially accountable or that the nature and significance of the relationship with the City are such that exclusion does not cause the City's financial statements to be misleading or incomplete. City officials are members of the following boards and commissions: Jones County Assessor's Conference Board, Jones County Solid Waste Management Commission, Jones County Economic Development Commission, and the Calkins Square Commission.

B. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its receipts, disbursements and fund balances. The various funds and their designated purposes are as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City. All general tax receipts and other receipts that are 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 that are not paid through other funds.

Special Revenue Funds - The Special Revenue Funds are utilized to account for receipts derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Capital Projects Fund - The Capital Projects Fund is utilized to account for all resources used in the acquisition and construction of capital facilities, with the exception of those that are financed through Enterprise Funds.

#### Proprietary Funds

Enterprise Funds - The Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services that are supported by user charges.

#### Fiduciary Funds

Expendable Trust Funds - The Expendable Trust Funds are used to account for monies and properties received and held by the City in a trustee capacity.

#### C. Basis of Accounting

The City of Wyoming 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.

#### D. Budgets and Budgetary Accounting

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 blended component units. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon four major classes of disbursements, known as programs, not by fund. These four programs are community protection, human development, home and community environment and policy and administration.

#### E. Total (Memorandum Only)

The total column on the combined statement of cash transactions is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

#### **(2) Deposits**

The City's deposits in banks at June 30, 2002 were entirely covered by federal depository insurance or 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.

**(3) Revenue Bonds Payable**

On February 12, 2001, the City entered into an agreement with the Iowa Finance Authority, the Iowa Department of Natural Resources and Wells Fargo Bank Iowa, N.A. for the issuance of \$404,000 of sewer revenue bonds with interest at 4.30% per annum. A one percent loan initiation fee was also charged against the total amount borrowed. The bonds were issued pursuant to the provisions of Chapter 384.24A and 384.83 of the Code of Iowa for the purpose of paying the costs of improvements to the municipal sanitary sewer system. The City will receive disbursements from the Trustee upon request to reimburse the City for costs as they are incurred. Should the project cost less than the original note amount, the note will be amended accordingly.

At June 30, 2002, the City had drawn \$245,822 of the \$404,000 authorized. Wells Fargo Bank Iowa, N.A. has the remaining \$158,178 held in trust which the City will request as the project progresses. A formal repayment schedule has not been adopted for the debt.

The resolution providing for the issuance of the sewer revenue bonds under the loan agreement includes the following provisions:

- (1) The bonds will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the funds.
- (2) Sufficient monthly transfers shall be made to a separate sewer revenue bond sinking fund for the purpose of making the bond principal and interest payments when due.
- (3) The City will provide for the collection of rates to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the utility and to have a balance of net revenues equal to at least 110% of the principal and interest due on the bonds each fiscal year.

The City has not established the sinking account required by the sewer revenue bond resolution.

**(4) Deferred Payment Contract Payable**

The City purchased a storage building and land from the Iowa Department of Transportation for \$11,000 financed through an interest free deferred payment contract. The contract requires four annual payments of \$2,750, with the initial payment due by September 1, 2001. The balance owed on the contract at June 30, 2002 was \$8,250.

**(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.

Plan members are required to contribute 3.70% of their annual salary and the City is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The City's contribution to IPERS for the year ended June 30, 2002 was \$3,288, equal to the required contribution for the year.

**(6) Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation and compensatory 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 and compensatory termination payments payable to employees at June 30, 2002, primarily relating to the General Fund is \$200.

**(7) Risk Management**

The City of Wyoming 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 any of the past three fiscal years.

## **Supplemental Information**

**Schedule 1**

City of Wyoming  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Library	Senior Dining	Total
<b>Receipts:</b>				
Property tax	\$ 96,670	-	-	96,670
<b>Licenses and permits:</b>				
Cigarette	281	-	-	281
Beer and liquor	1,445	-	-	1,445
Building	694	-	-	694
	<u>2,420</u>	<u>-</u>	<u>-</u>	<u>2,420</u>
<b>Use of money and property:</b>				
Interest on investments	3,484	534	-	4,018
Rent	860	-	-	860
	<u>4,344</u>	<u>534</u>	<u>-</u>	<u>4,878</u>
<b>Intergovernmental:</b>				
State allocation	10,606	-	-	10,606
Bank franchise tax	12,360	-	-	12,360
Grants	1,496	806	1,242	3,544
County library	-	10,370	-	10,370
	<u>24,462</u>	<u>11,176</u>	<u>1,242</u>	<u>36,880</u>
<b>Charges for service:</b>				
Garbage collection	28,590	-	-	28,590
<b>Miscellaneous:</b>				
Cable franchise fees	2,925	-	-	2,925
Court fines	118	51	-	169
Donations and contributions	-	5,497	3,994	9,491
Miscellaneous	3,013	242	119	3,374
	<u>6,056</u>	<u>5,790</u>	<u>4,113</u>	<u>15,959</u>
<b>Total receipts</b>	<u>162,542</u>	<u>17,500</u>	<u>5,355</u>	<u>185,397</u>
<b>Disbursements:</b>				
<b>Community Protection Program:</b>				
<b>Police:</b>				
Contractual services	32,151	-	-	32,151
<b>Fire:</b>				
Contractual services	2,600	-	-	2,600

City of Wyoming  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Library	Senior Dining	Total
Disbursements (continued):				
Community Protection Program:				
Ambulance:				
Contractual services	1,240	-	-	1,240
Civil Defense	488	-	-	488
	<u>36,479</u>	<u>-</u>	<u>-</u>	<u>36,479</u>
Human Development Program:				
Senior dining meals:				
Contractual services	-	-	221	221
Commodities	-	-	12	12
	<u>-</u>	<u>-</u>	<u>233</u>	<u>233</u>
Library:				
Personal services	-	3,499	-	3,499
Contractual services	8,774	1,237	-	10,011
Commodities	-	5,187	-	5,187
	<u>8,774</u>	<u>9,923</u>	<u>-</u>	<u>18,697</u>
	<u>8,774</u>	<u>9,923</u>	<u>233</u>	<u>18,930</u>
Home and Community Environment Program:				
Solid waste:				
Contractual services	29,098	-	-	29,098
Cemetery:				
Contractual services	1,500	-	-	1,500
Street:				
Personal services	10,036	-	-	10,036
Debt service:				
Principal redeemed	4,816	-	-	4,816
Interest paid	952	-	-	952
	<u>5,768</u>	<u>-</u>	<u>-</u>	<u>5,768</u>
	<u>46,402</u>	<u>-</u>	<u>-</u>	<u>46,402</u>

**Schedule 1**

City of Wyoming  
Combining Schedule of Cash Transactions  
General Fund  
Year ended June 30, 2002

	General	Library	Senior Dining	Total
Disbursements (continued):				
Policy and Administration Program:				
Mayor and Council Members:				
Personal services	3,840	-	-	3,840
City Clerk:				
Personal services	9,426	-	-	9,426
City Hall:				
Personal services	1,105	-	-	1,105
Contractual services	9,862	-	-	9,862
Commodities	7,216	-	-	7,216
Capital outlay	13,274	-	-	13,274
	31,457	-	-	31,457
Legal and professional:				
Contractual services	5,027	-	-	5,027
Insurance:				
Contractual services	20,464	-	-	20,464
	70,214	-	-	70,214
Total disbursements	161,869	9,923	233	172,025
Excess of receipts over disbursements	673	7,577	5,122	13,372
Other financing sources (uses):				
Operating transfers in (out):				
General:				
General	-	-	(3,369)	(3,369)
Senior Dining	3,369	-	-	3,369
Enterprise:				
Customer Deposit	19	-	-	19
Expendable Trust:				
Calkins Briggs	31	-	-	31
Total other financing sources (uses)	3,419	-	(3,369)	50
Excess of receipts and other financing sources over disbursements and other financing uses	4,092	7,577	1,753	13,422
Balance beginning of year	60,929	26,540	11,621	99,090
Balance end of year	\$ 65,021	34,117	13,374	112,512

See accompanying independent auditor's report.



**City of Wyoming**

City of Wyoming  
Combining Schedule of Cash Transactions  
Special Revenue Funds  
Year ended June 30, 2002

	Road Use Tax	CDBG Housing	Local Option Sales Tax
Receipts:			
Property tax	\$ -	-	-
Other city tax:			
Local option sales tax	-	-	33,433
Intergovernmental:			
Road use tax allocation	50,141	-	-
Community development block grant	-	28,073	-
	50,141	28,073	-
Miscellaneous:			
Donations and contributions	-	3,000	-
Total receipts	50,141	31,073	33,433
Disbursements:			
Community Protection Program:			
Street lighting	11,598	-	-
Home and Community Environment Program:			
Personal services	-	-	-
Contractual services	16,243	2,500	-
Capital outlay	-	31,010	-
Miscellaneous	235	-	-
Deferred payment contract:			
Principal redeemed	2,750	-	-
	19,228	33,510	-
Policy and Administration Program:			
Personal services	-	-	-
Total disbursements	30,826	33,510	-
Excess (deficiency) of receipts over (under) disbursements	19,315	(2,437)	33,433
Other financing uses:			
Operating transfers out:			
Capital Projects:			
Sewer Project	-	(301)	-
Excess (deficiency) of receipts over disbursements and other financing uses	19,315	(2,738)	33,433
Balance beginning of year	50,646	2,738	49,379
Balance end of year	\$ 69,961	-	82,812

See accompanying independent auditor's report.

Employee Benefits	Total
10,227	10,227
-	33,433
-	50,141
-	28,073
-	78,214
-	3,000
10,227	124,874
-	11,598
3,655	3,655
-	18,743
-	31,010
-	235
-	2,750
3,655	56,393
3,704	3,704
7,359	71,695
2,868	53,179
-	(301)
2,868	52,878
865	103,628
3,733	156,506

**Schedule 3**

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City of Wyoming  
Schedule of Cash Transactions  
Capital Projects Fund  
Year ended June 30, 2002

	<u>Sewer Project</u>
Receipts:	
Intergovernmental:	
Community development block grant	\$ 99,411
Miscellaneous:	
Refunds and reimbursements	310
Total receipts	<u>99,721</u>
Disbursements:	
Home and Community Environment Program:	
Contractual services	52,646
Capital outlay	275,000
Total disbursements	<u>327,646</u>
Deficiency of receipts under disbursements	<u>(227,925)</u>
Other financing sources:	
Sewer revenue bond proceeds	235,258
Operating transfers in:	
Special Revenue:	
CDBG Housing	301
Total other financing sources	<u>235,559</u>
Excess of receipts and other financing sources over disbursements	7,634
Balance beginning of year	<u>(309)</u>
Balance end of year	<u><u>\$ 7,325</u></u>

See accompanying independent auditor's report.

City of Wyoming  
Combining Schedule of Cash Transactions  
Enterprise Funds  
Year ended June 30, 2002

	Water	Sewer	Customer Deposit	Total
<b>Receipts:</b>				
Use of money and property:				
Interest on investments	\$ 1,288	420	-	1,708
Charges for service:				
Sale of water	57,123		-	57,123
Sewer rental fees	-	64,937	-	64,937
	<u>57,123</u>	<u>64,937</u>	<u>-</u>	<u>122,060</u>
Miscellaneous:				
Sales tax collected	3,455	457	-	3,912
Penalties	1,025	1,141	-	2,166
Customer deposits	-	-	2,250	2,250
Miscellaneous	661	3,686	-	4,347
	<u>5,141</u>	<u>5,284</u>	<u>2,250</u>	<u>12,675</u>
Total receipts	<u>63,552</u>	<u>70,641</u>	<u>2,250</u>	<u>136,443</u>
<b>Disbursements:</b>				
Home and Community Environment Program:				
Plant and collection:				
Personal services	25,546	25,512	-	51,058
Contractual services	9,233	7,083	300	16,616
Commodities	5,162	2,034	-	7,196
Capital outlay	5,079	-	-	5,079
Miscellaneous	4,249	-	-	4,249
	<u>49,269</u>	<u>34,629</u>	<u>300</u>	<u>84,198</u>
Debt service:				
Interest paid	-	4,089	-	4,089
Administrative fees	-	202	-	202
	<u>-</u>	<u>4,291</u>	<u>-</u>	<u>4,291</u>
Total disbursements	<u>49,269</u>	<u>38,920</u>	<u>300</u>	<u>88,489</u>
Excess of receipts over disbursements	<u>14,283</u>	<u>31,721</u>	<u>1,950</u>	<u>47,954</u>

**Schedule 4**

City of Wyoming  
Combining Schedule of Cash Transactions  
Enterprise Funds  
Year ended June 30, 2002

	Water	Sewer	Customer Deposit	Total
Other financing sources (uses):				
Operating transfers in (out):				
General:				
General	-	-	(19)	(19)
Enterprise:				
Water	-	-	(126)	(126)
Sewer	-	-	(55)	(55)
Customer Deposit	126	55	-	181
Total other financing sources (uses)	126	55	(200)	(19)
Excess of receipts and other financing sources over disbursements and other financing uses	14,409	31,776	1,750	47,935
Balance beginning of year	44,114	11,376	16,057	71,547
Balance end of year	\$ 58,523	43,152	17,807	119,482

See accompanying independent auditor's report.

City of Wyoming  
Combining Schedule of Cash Transactions  
Expendable Trust Funds  
Year ended June 30, 2002

	Wyoming Historical Museum	Calkins Briggs	Rohwedder	Total
<b>Receipts:</b>				
Use of money and property:				
Interest on investments	\$ 1,073	7,265	165	8,503
Rent	2,100	-	-	2,100
	<u>3,173</u>	<u>7,265</u>	<u>165</u>	<u>10,603</u>
Miscellaneous:				
Donations and contributions	105,667	557,789	17,703	681,159
Miscellaneous	3,687	52	-	3,739
	<u>109,354</u>	<u>557,841</u>	<u>17,703</u>	<u>684,898</u>
Total receipts	<u>112,527</u>	<u>565,106</u>	<u>17,868</u>	<u>695,501</u>
<b>Disbursements:</b>				
Human Development Program:				
Contractual services	16,004	90,073	-	106,077
Commodities	3,592	2,271	-	5,863
Capital outlay	-	51,560	-	51,560
Miscellaneous	370	12,011	-	12,381
Total disbursements	<u>19,966</u>	<u>155,915</u>	<u>-</u>	<u>175,881</u>
Excess of receipts over disbursements	92,561	409,191	17,868	519,620
<b>Other financing uses:</b>				
Operating transfers out:				
General:				
General	-	(31)	-	(31)
Excess of receipts over disbursements and other financing uses	92,561	409,160	17,868	519,589
Balance beginning of year	<u>18,693</u>	<u>75,247</u>	<u>8,717</u>	<u>102,657</u>
Balance end of year	<u>\$ 111,254</u>	<u>484,407</u>	<u>26,585</u>	<u>622,246</u>

See accompanying independent auditor's report.

**Schedule 6**

City of Wyoming  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency Pass-through Number	Program Expenditures
Indirect:			
Environmental Protection Agency Iowa Department of Natural Resources Capitalization Grants for State Revolving Funds	66.458	CS-19291-01	<u>\$ 190,289</u>
Department of Housing and Urban Development Iowa Department of Economic Development Community Development Block Grants/State's Program	14.228 14.228	99-HSG-051 00-WS-011	 28,010 <u>99,208</u> <u>127,218</u>
Federal Emergency Management Agency Iowa Department of Public Defense Hazard Mitigation Grant	83.548	F007-53-09	  <u>946</u>
Total			<u><u>\$ 318,453</u></u>

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Wyoming and is presented in conformity with an other comprehensive basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The outstanding loan balance of the Environmental Protection Agency's Capitalization Grants for State Revolving Funds program was \$245,822.

See accompanying independent auditor's report.





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

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**Independent Auditor's Report on Compliance  
and on Internal Control over Financial Reporting**

To the Honorable Mayor and  
Members of the City Council:

We have audited the financial statements of the City of Wyoming, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated February 19, 2003. Our report on the financial statements, which were prepared in conformity with an other comprehensive basis of accounting, expressed a qualified opinion since we were unable to satisfy ourselves as to the distribution by fund of the total fund balance at July 1, 2001.

Except as noted in the Independent Auditor's Report, we conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

Comments involving statutory and other legal matters about the City of Wyoming's operations for the year ended June 30, 2002 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Wyoming's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance 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 Wyoming'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 Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a 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 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 that item (A) is a material weakness.

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 Wyoming and other parties to whom the City of Wyoming 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 Wyoming 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.

February 19, 2003

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

**Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and Internal Control over Compliance**

**City of Wyoming**



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

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Auditor of State

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**Independent Auditor's Report on Compliance with Requirements**  
**Applicable to Each Major Program and Internal Control over Compliance**

To the Honorable Mayor and  
Members of the City Council:

**Compliance**

We have audited the compliance of the City of Wyoming, Iowa, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2002. The City of Wyoming's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City of Wyoming's management. Our responsibility is to express an opinion on the City of Wyoming's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Wyoming's compliance with those requirements.

In our opinion, the City of Wyoming complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

**Internal Control Over Compliance**

The management of the City of Wyoming is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Wyoming's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133

A material weakness is a 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 non-compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance 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. We noted no matters involving the internal control over compliance and its operation that we consider to be a material weakness.

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 Wyoming and other parties to whom the City of Wyoming may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

February 19, 2003

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

**Part I: Summary of the Independent Auditor's Results:**

- (a) A qualified opinion was issued on the financial statements, which were prepared in conformity with a comprehensive basis of accounting other than U.S. generally accepted accounting principles, since we were unable to satisfy ourselves as to the distribution by fund of the total fund balance at July 1, 2001.
- (b) Reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, including a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were identified.
- (e) The audit disclosed no audit findings required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (f) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (g) The major program was CFDA Number 66.458 - Capitalization Grants for State Revolving Funds.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City of Wyoming did not qualify as a low-risk auditee.

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

II-A-02 Segregation of Duties - One important aspect of internal accounting control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One or two individuals have control over each of the following areas:

- (1) Cash - preparing bank reconciliations, cash receipts and disbursement functions, handling and recording of cash.
- (2) Receipts - collecting, depositing, posting and reconciling.
- (3) Disbursements - processing, check writing, recording and reconciling.
- (4) Payroll - preparation, recording and distribution.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the City should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - The City will review its procedures and investigate alternatives and implement where possible.

Conclusion - Response accepted.

II-B-02 Electronic Data Processing Systems - During our review of internal control, the existing control activities in the City's computer based systems were evaluated in order to determine that activities, from a control standpoint, were designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The following weaknesses in the City's computer based systems were noted:

- Passwords are not periodically changed. The City's software does not prompt/require the user to periodically change log-ins/passwords.
- The City's computer system does not have a time out and/or log-off function or screen saver password to protect a terminal if left unattended.
- A complete system back up, including all transactions and programs is not performed on a monthly basis.
- The City does not have policies for minimizing the risk of power surges or power failures and addressing an alternative power supply.
- The City does not have a current written disaster recovery plan.



City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Recommendation - The City should develop policies and procedures addressing the above items in order to improve the City's control over computer based systems. Also, a current written disaster recovery plan should be completed.

Response - The City will investigate policies and procedures addressing computers and adopt a policy. Monthly back ups will be done. An alternative power source will be purchased for the computers. The City is in the beginning stages of updating its disaster recovery plan and will follow through.

Conclusion - Response accepted.

City of Wyoming  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2002

**Part III: Findings and Questioned Costs For Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

No material weaknesses in internal control over the major program were identified.

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

**Part IV: Other Findings Related to Statutory Reporting:**

IV-A-02 Official Depositories - A resolution naming official depositories has been approved by the City. However, maximum amounts for each bank were not included on the depository resolution.

Recommendation - The Council should adopt a new depository resolution which establishes maximum amounts for each bank.

Response - We have this on the agenda for the next meeting. It will be taken care of immediately.

Conclusion - Response accepted.

IV-B-02 Certified Budget - Disbursements during the year ended June 30, 2002, did not exceed the amounts budgeted.

IV-C-02 Questionable Disbursements - No disbursements were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-D-02 Travel Expense - No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

IV-E-02 Business Transactions - Business transactions between the City and City officials or employees are detailed as follows:

Name, Title, and Business Connection	Transaction Description	Amount
Brian Podhaski, Council Member, Co-Owner of Podhaski Insurance	Insurance for a storage building and for a trailer	\$ 74

In accordance with Chapter 362.5(11) of the Code of Iowa, the above transactions do not appear to represent a conflict of interest since total transactions for the individual was less than \$2,500 during the fiscal year.

IV-F-02 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 ensure that the coverage is adequate for current operations.

IV-G-02 Council Minutes - Except as noted, no transactions were found that we believe should have been approved in the Council minutes but were not.

Certain disbursements for capital projects were not approved for payment in the minutes record. Also, the City did not publish annual gross salaries in accordance with an Attorney General's opinion dated April 12, 1978.

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

Recommendation - The Council should approve payment of all disbursements. Also, the City should comply with Chapter 21 of the Code of Iowa and publish annual individual salaries.

Response - We will include all capital projects disbursements within the Council minutes for approval and we will publish salaries as required.

Conclusion - Response accepted.

IV-H-02 Deposits and Investments - The City has adopted a written investment policy as required by Chapter 12B.10 of the Code of Iowa.

IV-I-02 Revenue Bonds - The City has not established the sinking account required by the sewer revenue bond resolution.

Recommendation - The City should establish this account and make the required transfers.

Response - We will establish this account and make the required transfers.

Conclusion - Response accepted.

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City of Wyoming

Staff

This audit was performed by:

Ronald D. Swanson, CPA, Manager  
Travis J. Davis, CPA, Senior Auditor  
Jake P. Keegan, Assistant Auditor

Andrew E. Nielsen, CPA  
Deputy Auditor of State