

CITY OF TAMA, IOWA

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS
June 30, 2005**

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CITY OF TAMA

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chris Bearden	Mayor	January 2008
Robert Tyynismaa	Council Member	January 2008
Don Rank	Council Member	January 2006
Steve Baier	Council Member	January 2008
Kenny McAdoo	Council Member	January 2008
Earl Rutledge	Council Member	January 2006
Judy Welch	City Clerk	Indefinite
Dan Rathjen	City Attorney	Indefinite

CITY OF TAMA

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
Tama, Iowa

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 Tama, Iowa, as of and for the year ended June 30, 2005. These financial statements are the responsibility of the City of Tama's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 accounting principles generally accepted in the United States of America.

In our opinion, 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 Tama as of June 30, 2005, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 30, 2005, on our consideration of the City of Tama'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 read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 13 and 35 through 36 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We applied limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Tama's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the years ended June 30, 2004, 2003, and 2002 (which are not presented herein) and expressed an unqualified opinion on those financial statements. Other supplementary information included in Schedules 1 through 8, 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, is fairly stated in all material respects in relation to the aforementioned basic financial statements taken as a whole.

Clifton Gunderson LLP

Cedar Rapids, Iowa
September 30, 2005

CITY OF TAMA

Management's Discussion and Analysis

The City of Tama provides this Management's Discussion and Analysis (MD&A) of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2005. 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, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the City's financial position and results of operations.

2005 FINANCIAL HIGHLIGHTS

- The sale of the city owned meatpacking plant in the amount of \$2,500,000 and receiving a grant for the meatpacking plant in the amount of \$500,000 in FY 2003 set a one time significant decrease in revenue from FY 2003 to FY 2004. Keeping this in mind the decrease in revenue overall from FY 2003 to FY 2004 was \$2,820,216 or 55.4%. If the major sale and grant fund would not have occurred revenues would have shown an increase of 8.6% or approximately \$179,784 from FY 2003 to FY 2004.
- Total disbursements increased 15.7% or \$386,396 in FY 2004 from FY 2003. However, \$500,000 in FY 2003 was for the grant funds received and expended to the meatpacking plant from the State. If the \$500,000 had not occurred in FY 2003 an increase in disbursements for FY 2004 would show an increase of \$886,396 or 45.2%. Increases were in every governmental activity and in the business type activity of water. The business type activity of sewer showed the only decrease.
- The City's total cash basis net assets decreased 21.4% or approximately \$708,824 from June 30, 2003 to June 30, 2004. Of this amount, the assets of the governmental activities decreased approximately \$708,786 and the assets of the business type activities decreased \$38.
- The City provided infrastructure of water, sewer, curb, gutters and paving for two new streets in the City providing additional selling of residential lots which is owned by the City.
- The City of Tama joined with the local medical clinic to help purchase a building in downtown Tama for medical services.
- The City of Tama joined with the City of Toledo to construct a new aquatic center with fiscal year 2004 being the beginning year for the feasibility study and engineering.

CITY OF TAMA

Management's Discussion and Analysis

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 non-major governmental funds.

BASIS OF ACCOUNTING

The City of Tama 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, the reader 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.

CITY OF TAMA

Management's Discussion and Analysis

REPORTING THE CITY'S FINANCIAL ACTIVITIES (CONTINUED)

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:

1. Governmental Activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax, state and federal grants, investment interest and charges for services finance most of these activities.
2. Business Type Activities include the waterworks and sanitary sewer system. 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 which includes Road Use Tax; Urban Renewal Tax Increment and Trust and Agency, 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 statements for governmental funds include 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 Sewer Fund includes funding for Sewer Rehabilitation, Sewer Replacement, and the Sewer Revenue Bond Fund. The required financial statements for the proprietary funds include 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 decreased from a year ago, decreasing from \$ _____ to \$ _____. The analysis that follows focuses on the changes in cash balances for governmental activities.

CITY OF TAMA

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Cash Basis Net Assets of Governmental Activities:

Receipts and transfers:

General receipts:

Property tax	\$
Tax increment financing	
Other city tax	
Local option tax	
Unrestricted investment earnings	
Other general receipts	
Other financing sources	
Charges for service	
Operating grants, contributions	
Capital grants, contributions and restricted interest	_____

Total receipts and transfers _____

Disbursements:

Public safety	
Public works	
Health and social services	
Culture and recreation	
Community and economic development	
General government	
Debt service	
Capital projects	_____

Total disbursements _____

Decrease in cash basis net assets

Cash basis net assets beginning of year _____

Cash basis net assets end of year \$ _____

CITY OF TAMA

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The City's total receipts for governmental activities increased by % or \$ for FY 2005. The increase in revenue is due to the collection of Local Option Tax for the use of the new aquatic center, selling of radio stock that the city had owned and interest from the selling of real estate in FY 2003. In FY 2003 the city sold the meatpacking plant, which the revenue of \$2,500,000 was not figured in the comparison of the receipts. Also in FY 2003 the revenue of \$500,000 received by the City from the State for a grant to the meatpacking plant was not figured in the receipt comparison. The \$500,000 was a pass through grant to us and then onto the new owners of the meatpacking plant. By not using these two figures the comparison of the two years give a clearer picture of actual receipts and disbursements in governmental activities. In FY 2004 the city received another \$45,000 grant to be passed through to a new local business in the city and this amount too is not figured with the increase of revenue or expense for FY 2004.

The total disbursement cost of all programs and services for governmental activities increased by % or \$ for fiscal year 2005. This large increase is due to the fact the city used cash balances to provide infrastructure of water, sewer, and streets to a new developing section of the city, paved with curb and gutter, several blocks of graveled streets, and invested in the local medical clinic in order for a physician to be located downtown.

The ending cash balances for fiscal year 2005 for governmental activities indicates a decrease in cash balances by \$. The above paragraph explains the reasoning for the decrease.

The City decreased property taxes by \$ per \$1,000 of property value for fiscal year 2005 or less than 1%. Valuation stayed approximately the same between fiscal year 2004 and fiscal year 2005. Knowing that the sale of the meatpacking plant would generate a fair sum of investment interest, part of the interest was used to lower the property tax rate.

Changes in Cash Basis Net Assets of Business Type Activities:

Receipts:

Program receipts:

Charges for services:

Water

\$

Sewer

Sewer revenue bond

Operating grants, contributions, and interest

Other general receipts

Total receipts

CITY OF TAMA

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in Cash Basis Net Assets of Business Type Activities (continued):

Disbursements:

Water	_____
Sewer	_____
Sewer revenue bond	_____
Total disbursements	_____

Decrease in cash balance

Cash basis net assets beginning of year _____

Cash basis net assets end of year \$ _____

Total business type activities receipts for fiscal year 2005 were \$ _____ compared to \$ _____ last year. This increase in revenue of \$ _____ is due to the opening of the beef packing plant and using our water service and the approved 2% a year increase in the water rate. Disbursements in fiscal year 2004 totaled \$648,058 where the disbursements last year were \$606,856, an increase of \$41,202. This increase came from painting the interior of the water tower.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Tama completed the year, its governmental funds reported a combined fund balance of \$2,905,358, a decrease of more than \$700,000 below last year's total of \$3,614,144. 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 decreased by \$26,766 from the prior year to \$256,237. The decrease is largely due to the fact street lights were expended for the general fund in fiscal year 2004. The revenue from population allocation from the State was not received in fiscal year 2004, which accounted for \$37,000 worth of State revenue last year. Investment interest from previous real estate sales helped the city survive this decrease. This investment interest revenue was redirected to help our general fund, which in turn decreased the funds available for capital projects.
- The Road Use Tax Fund cash balance decreased by \$ _____ to \$ _____ during the fiscal year. Expenditures from cash balances in fiscal year 2005 supported new streets and paving graveled roads in the city.

CITY OF TAMA

Management's Discussion and Analysis

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS (CONTINUED)

- The Capital Project Cash Fund includes cash balances from Capital Projects, Capital Projects - Community Development, Meat Pack Funds and the Aquatic Center Fund. At the end of the fiscal year, the cash balance was \$2,324,216, a decrease of \$532,326 from the previous year. The decrease in cash balances stems from the expenditures to begin the process of building a new aquatic center, and infrastructure projects previously mentioned.
- The Trust and Agency Fund cash balance decreased by \$47,944 to \$77,194 during the fiscal year. The decrease is due primarily to purchasing a new ambulance, which part of the funding was expended from the Ambulance Trust Fund.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

The Water Fund cash balance decreased by \$ to \$. The cash balance helped support the painting of the exterior of the water tower. The Water Fund supports the contracting of water services with Veolia Water.

The Sewer Fund cash balances demonstrated a slight increase in cash balances from last year. The Sewer Fund cash balances include: Regular minor sewer expenses and the cost of contracting the sewer utility with Veolia Water; Sewer Rehabilitation Fund to repair sewer mains; Sewer Replacement Fund to fund major repairs to the sewer plant and the Sewer Revenue Bond Fund for the State Revolving Fund Loan. The Sewer Fund cash balance increased by \$ to \$, due primarily to having only one revenue bond issue to pay instead of the two the city was paying in fiscal year 2003. In fiscal year 2003, revenue was being set aside for sewer rehabilitation and sewer replacement in the amount of \$30,000 a year. Since the city is now paying only on one revenue bond issue, the revenue set-aside for fiscal year 2004 in the sewer rehabilitation and replacement funds increased to \$50,000 for the year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City amended the budget twice. October 6, 2003 the City amended the budget to increase expenditures for the infrastructure projects in the new street addition; preliminary fees for the aquatic center project and State grant funds being received and expended to a local business. Budgeted revenue was also increased due to the new local option tax. Revenues were increased by \$236,000 and expenses by \$706,100. The second amendment was approved on May 17, 2004 increasing revenues by \$72,024 and expenses by \$242,453. Revenues were increased due to street assessment revenue and sale of assets. Expenditures were increased due to engineering of the aquatic center, fire equipment, band shelter improvements and continuing infrastructure for the new street addition. The City's cash balances were able to handle the additional expenses.

CITY OF TAMA

Management's Discussion and Analysis

DEBT ADMINISTRATION

As of June 30, 2005, the City of Tama had \$ _____ in bonds compared to \$ _____ at the end of June of 2004. The General Obligation issue being paid in full at the end of 2004 provided a less tax obligation to the citizens with only two bond issues remaining for general obligation. By June of 2006 the two Flood Control bond issues will all be paid in full. The Sewer Rev. Bond issue will continue until June of 2014. Additional debt will be forthcoming in the next year with the construction of the new aquatic center.

Outstanding Debt As Of:

	<u>Year ended June 30,</u>	
	<u>2005</u>	<u>2004</u>
Flood control, \$515,000, issued March 1993	\$	\$ 115,000
Flood control, \$575,000, issued March 1991		135,000
General obligation, \$300,000, issued March 1994		-
Sewer revenue bond, \$1,784,000, issued December 1995	_____	<u>1,168,000</u>
Total	<u>\$ _____</u>	<u>\$1,418,000</u>

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 \$250,000 is significantly below its constitutional debt limit of \$3,713,394.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Tama's elected and appointed officials and citizens considered many factors when setting the fiscal year 2005 budget, and tax rates. With taxable valuations down by \$1.3 million the city has looked to other sources of income. By paying for street lights out of road use tax that helped the city's general fund by \$54,000. However, using funds in road use tax to support streets limits the purchase of street equipment or surfacing a graveled street. With the loss of state funding we again looked to our investment interest to help support the general fund. The City Council did raise the tax rate by \$.29 per thousand in order to fund employee benefits. The City of Tama looks for a bright fiscal year 2005 even with tax valuations lower, as the beef packing plant did re-open, bringing more people to the community. The city has purchased a section of undeveloped subdivision hoping to sell lots at a very reasonable rate in order to boost housing. The joint effort of Tama and the City of Toledo to build a 3 million dollar pool is quite an undertaking and will be accomplished with local option tax and donations throughout the community.

CITY OF TAMA

Management's Discussion and Analysis

CONTACTING THE CITY'S FINANCIAL DEPARTMENT

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 any questions about this report or need additional financial information, contact Judy Welch, City Clerk, 305 Siegel Street, Tama, Iowa 52339.

BASIC FINANCIAL STATEMENTS

CITY OF TAMA

Statement of Activities and Net Assets - Cash Basis

As of and for the year ended June 30, 2005

FUNCTIONS/PROGRAMS:	<u>Disbursements</u>	<u>Charges for Services</u>
Governmental activities:		
Public safety	\$ 593,194	\$ 187,688
Public works	386,834	18,518
Health and social services	4,089	-
Culture and recreation	169,609	10,981
Community and economic development	22,277	-
General government	127,852	21,076
Debt service	186,362	-
Capital projects	<u>1,460,820</u>	<u>-</u>
Total governmental activities	<u>2,951,037</u>	<u>238,263</u>
Business type activities:		
Water	231,997	268,773
Sewer	<u>438,572</u>	<u>378,087</u>
Total business type activities	<u>670,569</u>	<u>646,860</u>
Total	<u>\$ 3,621,606</u>	<u>\$ 885,123</u>
GENERAL RECEIPTS:		
Property taxes levied for:		
General purposes		
Employee benefits		
Tax increment financing		
Debt service		
Other city tax		
Local option sales tax		
Grants and contributions not restricted to specific purposes		
Unrestricted interest on investments		
Bond proceeds		
Miscellaneous		
Sale of assets		
Total general receipts		

Exhibit A

<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Cash Basis Net Assets</u>		
<u>Operating Grants, Contributions, and Restricted Interest</u>	<u>Capital Grants, Contributions, and Restricted Interest</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ 82,632	\$ -	\$ (321,793)	\$ -	\$ (321,793)
228,875	-	(139,441)	-	(139,441)
-	-	(4,089)	-	(4,089)
13,368	-	(145,260)	-	(145,260)
-	-	(22,277)	-	(22,277)
618	100	(106,067)	-	(106,067)
-	-	(186,362)	-	(186,362)
-	170,360	(1,290,461)	-	(1,290,461)
<u>325,493</u>	<u>170,460</u>	<u>(2,215,750)</u>	<u>-</u>	<u>(2,215,750)</u>
2,507	-	-	39,283	39,283
<u>10,442</u>	<u>-</u>	<u>-</u>	<u>(50,043)</u>	<u>(50,043)</u>
<u>12,949</u>	<u>-</u>	<u>-</u>	<u>(10,760)</u>	<u>(10,760)</u>
<u>\$ 338,442</u>	<u>\$ 170,460</u>	<u>(2,215,750)</u>	<u>(10,760)</u>	<u>(2,226,510)</u>
		390,871	-	390,871
		137,898	-	137,898
		30,210	-	30,210
		112,848	-	112,848
		25,860	-	25,860
		131,204	-	131,204
		598	-	598
		115,947	-	115,947
		1,438,255	-	1,438,255
		69,791	-	69,791
		<u>50,938</u>	<u>-</u>	<u>50,938</u>
		<u>2,504,420</u>	<u>-</u>	<u>2,504,420</u>

(continued)

CITY OF TAMA

Statement of Activities and Net Assets - Cash Basis

As of and for the year ended June 30, 2005

	<u>Disbursements</u>	<u>Charges for Services</u>
CHANGE IN CASH BASIS NET ASSETS		
CASH BASIS NET ASSETS, BEGINNING		
CASH BASIS NET ASSETS, ENDING		
CASH BASIS IN NET ASSETS:		
Restricted:		
Streets		
Urban renewal purposes		
Debt service		
Other purposes		
Unrestricted		
TOTAL CASH BASIS NET ASSETS		

Exhibit A

<u>Program Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Cash Basis Net Assets</u>			
Operating Grants, Contributions, and Restricted <u>Interest</u>	Capital Grants, Contributions, and Restricted <u>Interest</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
		288,670	(10,760)	277,910
		<u>2,905,358</u>	<u>400,705</u>	<u>3,306,063</u>
		<u>\$ 3,194,028</u>	<u>\$ 389,945</u>	<u>\$ 3,583,973</u>
		\$ 183,058	\$ -	\$ 183,058
		-	-	-
		16,012	148,224	164,236
		-	100,824	100,824
		<u>2,994,958</u>	<u>140,897</u>	<u>3,135,855</u>
		<u>\$ 3,194,028</u>	<u>\$ 389,945</u>	<u>\$ 3,583,973</u>

This financial statement should be read only in connection
with the accompanying notes to financial statements.

CITY OF TAMA

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

As of and for the year ended June 30, 2005

	<u>Special Revenue</u>		
	<u>General</u>	<u>Road Use Tax</u>	<u>Debt Service</u>
RECEIPTS:			
Property tax	\$ 390,871	\$ -	\$ 112,848
Tax increment financing collections	-	-	-
Other city tax	15,730	-	4,547
Licenses and permits	19,794	-	-
Use of money and property	46,975	-	14,676
Intergovernmental	44,695	227,071	-
Charges for services	223,582	-	-
Miscellaneous	<u>39,993</u>	<u>-</u>	<u>-</u>
Total receipts	<u>781,640</u>	<u>227,071</u>	<u>132,071</u>
DISBURSEMENTS:			
Operating:			
Public safety	566,196	-	-
Public works	163,722	216,112	-
Health and social services	4,089	-	-
Culture and recreation	154,017	-	-
Community and economic development	22,277	-	-
General government	126,077	-	-
Debt services	-	-	186,362
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>1,036,378</u>	<u>216,112</u>	<u>186,362</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(254,738)</u>	<u>10,959</u>	<u>(54,291)</u>
OTHER FINANCING SOURCES (USES):			
Bond proceeds	-	-	-
Operating transfers in	283,791	-	51,077
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>283,791</u>	<u>-</u>	<u>51,077</u>
NET CHANGE IN CASH BALANCE	29,053	10,959	(3,214)
CASH BALANCES, BEGINNING OF YEAR	<u>256,237</u>	<u>172,099</u>	<u>19,226</u>
CASH BALANCES, END OF YEAR	<u>\$ 285,290</u>	<u>\$ 183,058</u>	<u>\$ 16,012</u>

Exhibit B

<u>Capital Projects</u>		<u>Other Nonmajor Governmental Funds</u>		<u>Total</u>
<u>Capital Projects</u>	<u>Pack</u>			
\$ -	\$ -	\$ 137,898	\$ 641,617	
-	-	30,210	30,210	
131,204	-	5,583	157,064	
-	-	-	19,794	
17,886	-	38,690	118,227	
93,000	-	-	364,766	
-	-	-	223,582	
-	-	205,116	246,191	
<u>242,090</u>	<u>-</u>	<u>417,497</u>	<u>1,801,451</u>	
-	-	25,916	593,193	
-	-	7,000	386,834	
-	-	-	4,089	
-	-	15,592	169,609	
-	-	-	22,277	
-	-	1,774	127,852	
-	-	-	186,362	
<u>1,314,347</u>	<u>-</u>	<u>146,473</u>	<u>1,460,820</u>	
<u>1,314,347</u>	<u>-</u>	<u>196,765</u>	<u>2,951,036</u>	
<u>(1,072,257)</u>	<u>-</u>	<u>220,742</u>	<u>(1,149,585)</u>	
1,438,255	-	-	1,438,255	
-	-	529,100	863,968	
<u>(100,327)</u>	<u>(402,930)</u>	<u>(360,711)</u>	<u>(863,968)</u>	
<u>1,337,928</u>	<u>(402,930)</u>	<u>168,389</u>	<u>1,438,255</u>	
265,671	(402,930)	389,131	288,670	
<u>73</u>	<u>2,176,238</u>	<u>281,485</u>	<u>2,905,358</u>	
<u>\$ 265,744</u>	<u>\$ 1,773,308</u>	<u>\$ 670,616</u>	<u>\$ 3,194,028</u>	

(continued)

CITY OF TAMA

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

As of and for the year ended June 30, 2005

		<u>Special Revenue</u>	
	<u>General</u>	<u>Road Use Tax</u>	<u>Debt Service</u>
CASH BASIS FUND BALANCES:			
Reserved:			
Debt service	\$ -	\$ -	\$ 16,012
Unreserved:			
General	285,290	-	-
Special revenue funds	-	183,058	-
Capital project funds	-	-	-
Permanent fund	-	-	-
	<hr/>	<hr/>	<hr/>
Total cash basis fund balances	<u>\$ 285,290</u>	<u>\$ 183,058</u>	<u>\$ 16,012</u>

Exhibit B

<u>Capital Projects</u>		<u>Other Nonmajor Governmental Funds</u>		<u>Total</u>
<u>Capital Projects</u>	<u>Pack</u>			
\$ -	\$ -	\$ -		\$ 16,012
-	-	-		285,290
-	-	105,522		288,580
265,744	1,773,308	512,918		2,551,970
-	-	52,176		52,176
<u>\$ 265,744</u>	<u>\$ 1,773,308</u>	<u>\$ 670,616</u>		<u>\$ 3,194,028</u>

This financial statement should be read only in connection with the accompanying notes to financial statements.

CITY OF TAMA

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

As of and for the year ended June 30, 2005

	Enterprise Funds		
	Water	Sewer	Sewer Revenue Bond
OPERATING RECEIPTS:			
Use of money and property	\$ 2,507	\$ 10,442	\$ -
Charges for services	222,863	169,935	147,626
Miscellaneous	45,910	10,510	-
	<u>271,280</u>	<u>190,887</u>	<u>147,626</u>
OPERATING DISBURSEMENTS:			
Business type activities:			
Water	231,997	-	-
Sewer	-	199,619	147,627
	<u>231,997</u>	<u>199,619</u>	<u>147,627</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>39,283</u>	<u>(8,732)</u>	<u>(1)</u>
NONOPERATING RECEIPTS (DISBURSEMENTS):			
Interest on investments	-	-	-
Debt service	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>39,283</u>	<u>(8,732)</u>	<u>(1)</u>
CASH BALANCES, BEGINNING OF YEAR	<u>73,353</u>	<u>36,993</u>	<u>148,225</u>
CASH BALANCES, END OF YEAR	<u>\$ 112,636</u>	<u>\$ 28,261</u>	<u>\$ 148,224</u>
CASH BASIS FUND BALANCES:			
Reserved for debt service	\$ -	\$ -	\$ 148,224
Unreserved	112,636	28,261	-
	<u>\$ 112,636</u>	<u>\$ 28,261</u>	<u>\$ 148,224</u>
Total cash basis fund balances	<u>\$ 112,636</u>	<u>\$ 28,261</u>	<u>\$ 148,224</u>

Exhibit C

<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>
\$ -	\$ 12,949
50,016	590,440
-	56,420
50,016	659,809
-	231,997
91,326	438,572
91,326	670,569
(41,310)	(10,760)
-	-
-	-
-	-
(41,310)	(10,760)
142,134	400,705
<u>\$ 100,824</u>	<u>\$ 389,945</u>
\$ -	\$ 148,224
100,824	241,721
<u>\$ 100,824</u>	<u>\$ 389,945</u>

This financial statement should be read only in connection with the accompanying notes to financial statements.

CITY OF TAMA

Notes to Financial Statements

June 30, 2005

(1) Summary of Significant Accounting Policies

The City of Tama, a political subdivision of the State of Iowa, is located in Tama County. It was first incorporated in 1869 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 services for its customers.

A. Reporting Entity

For financial reporting purposes, the City has included all funds, organizations, account groups, 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 Tama (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 following component unit is an entity which is legally separate from the City, but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the appropriate funds.

The Oak Hill Cemetery Association is a nonprofit corporation established under Title 3, Chapter 5 of the City of Tama Code to beautify, adorn, and keep in good order the Oak Hill Cemetery. Although the association is legally separate from the City, it is controlled, managed, and supervised by the City of Tama, City Council. The Oak Hill Cemetery Association is reported as a fiduciary fund type.

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 by the participating governments. City officials are members of the following Boards and Commissions: Tama County Assessor's Conference Board, Tama County Emergency Management Commission, Tama County E911 Service Board, Tama County Solid Waste Disposal Commission, Tama County Economic Development Commission, and Tama-Toledo Swimming Pool Board.

CITY OF TAMA

Notes to Financial Statements

June 30, 2005

(1) Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-wide Financial Statements - 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 services.

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 that do not meet 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 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 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 from other funds.

Special Revenue:

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

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

CITY OF TAMA

Notes to Financial Statements

June 30, 2005

(1) Summary of Significant Accounting Policies (continued)

The Capital Projects Funds are 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.

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.

The Sewer Revenue Bond fund is utilized to account for charges collected and transferred to the Debt Service Fund for the payment of interest and principal.

C. Measurement Focus and Basis of Accounting

The City of Tama 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.

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, 2005, disbursements did not exceed the amounts budgeted.

(2) Cash and Investments

The City's deposits in banks at June 30, 2005, 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.

CITY OF TAMA

Notes to Financial Statements

June 30, 2005

(2) Cash and Investments (continued)

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.

At June 30, 2005, the City had the following investments:

	<u>Carrying Amount</u>	<u>Market Value</u>
United States Savings Bonds Series H	\$ 37,000	\$ 37,000

Interest Rate Risk

The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 12 months of receipt) in instruments that mature within 365 days. Funds not identified as operating funds may be invested in investments with maturities longer than 365 days but the maturities shall be consistent with the needs and use of the City.

(3) Bonds and Notes Payable

Annual debt service requirements to maturity for general obligation bonds, sewer revenue bonds, and state revolving fund loan notes are as follows:

<u>Year Ending June 30</u>	<u>General Obligation Bonds</u>		<u>State Revolving Fund Loan Notes</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 180,000	\$ 68,358	\$ 100,000	\$ 46,846	\$ 280,000	\$ 115,204
2007	55,000	59,638	104,000	42,476	159,000	102,114
2008	55,000	58,123	109,000	37,932	164,000	96,055
2009	55,000	56,453	113,000	33,168	168,000	89,621
2010	60,000	54,673	118,000	28,230	178,000	82,903
2011	65,000	52,613	124,000	23,074	189,000	75,687
2012	65,000	50,243	129,000	17,654	194,000	67,897
2013	70,000	47,768	135,000	12,018	205,000	59,786
2014	70,000	45,008	140,000	6,118	210,000	51,126
2015	75,000	42,178	-	-	75,000	42,178
2016	75,000	39,073	-	-	75,000	39,073
2017	80,000	35,893	-	-	80,000	35,893
2018	85,000	32,423	-	-	85,000	32,423
2019	90,000	28,643	-	-	90,000	28,643
2020	95,000	24,553	-	-	95,000	24,553

CITY OF TAMA

Notes to Financial Statements

June 30, 2005

(3) Bonds and Notes Payable (continued)

Year Ending June 30	General Obligation Bonds		State Revolving Fund Loan Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	100,000	20,143	-	-	100,000	20,143
2022	100,000	15,363	-	-	100,000	15,363
2023	105,000	10,563	-	-	105,000	10,563
2024	115,000	5,525	-	-	115,000	5,525
Total	\$ 1,595,000	\$ 747,225	\$ 1,072,000	\$ 247,516	\$ 2,667,000	\$ 994,741

The sewer bond resolution provides that the revenue bond principal and interest must be paid solely out of the net earnings of the sewage works and facilities. It also provides a sum equal to one-twelfth of the principal of all bonds maturing on the succeeding June 1, plus a sum equal to one-sixth of the interest coming due on the succeeding December 1, be deposited in the Enterprise Fund - Sewer Revenue Bond in monthly installments prior to such June 1 and December 1. In addition, the resolution establishes an initial reserve balance of \$60,000 to be deposited from cash on hand. As of June 30, 2005, the City was in compliance with the deposit requirements of the resolution.

(4) 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 covered salary and the City is required to contribute 5.75% of annual covered payroll, except for police employees, in which case the percentages are 6.16% and 9.23%, respectively. For the year ended June 30, 2004, the contribution rates for police employees and the City were 5.93% and 8.90%, respectively, and for the year ended June 30, 2003, the contribution rates for police employees and the City were 6.04% and 9.07%, respectively. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2005, 2004, and 2003 were \$31,033, \$30,332, and \$30,256, respectively, equal to the required contributions for each year.

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent employees, permits them to defer a portion of the salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

CITY OF TAMA

Notes to Financial Statements

June 30, 2005

(4) **Pension and Retirement Benefits** (continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

(5) **Compensated Absences**

City employees accumulate vacation and sick leave hours based on the length of employment. Sick leave is not a vested benefit. It is payable when used and may be accumulated to a maximum of 90 days. Vacation is payable when used and is cumulative only in isolated cases specifically approved by the City Council. These accumulations are not recognized as disbursements by the City until used or paid. The City was liable for \$11,486 in accumulated vacation time. This liability has been computed based on the rate of pay as of June 30, 2005.

(6) **Commitments**

The City has entered into a management service contract with U.S. Filter for management of the water and sewer plants at a cost of \$326,063 per year, subject to review annually. The City or U.S. Filter may terminate the agreement with thirty days written notice.

The City has entered into an agreement for street improvements. Estimated costs of the project are \$282,858 of which \$14,218 has not been paid at June 30, 2005.

The City has entered into an agreement for pool construction. Estimated costs of the project are \$2,011,500 of which \$114,093 has not been paid at June 30, 2005.

(7) **Landfill Commitment**

The City of Tama participates in a 28E organization with Tama County and other cities in Tama County. This organization is the Tama County Solid Waste Disposal Commission. The estimated cost of closure and postclosure care as of June 30, 1998, the most recent date for which such information is available, is approximately \$1,047,325. The City of Tama will share in these costs on a per capita basis with the other organizations in the 28E organization. The City's share of these estimated costs is \$168,341.

CITY OF TAMA
Notes to Financial Statements
June 30, 2005

(8) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2005 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Employee benefit	\$ 137,848
	Capital projects	129,693
	Capital projects - new pool	<u>16,250</u>
		<u>283,791</u>
Capital projects	Trust and agency	5,182
	Capital projects - pack	152,930
	Capital projects - community development	81,000
	Capital projects - new pool	<u>33,000</u>
		<u>272,112</u>
Capital projects - downtown	Capital projects - pack	<u>250,000</u>
Debt service	Capital projects - new pool	<u>51,077</u>
TIF	Capital projects	<u>6,988</u>
		<u>\$ 863,968</u>

(9) Risk Management

The City is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 384.12 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 300 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

CITY OF TAMA

Notes to Financial Statements

June 30, 2004

(9) Risk Management (continued)

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if sufficient, by the subsequent year's member contributions.

The City's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The City's annual contributions to the Pool for the year ended June 30, 2005 were \$13,680.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. Automobile physical damage risks are retained by the Pool up to \$50,000 each accident, each location, with excess coverage reinsured on an individual-member basis. All property risks are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2005, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The City also carries commercial insurance purchased from other insurers for coverage associated with Nationwide Insurance. The City assumes liability for any deductible and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF TAMA
Notes to Financial Statements
June 30, 2005

(10) Inter-fund Loans

During the fiscal year, a loan was made to the Special Revenue, Urban Renewal Tax Increment fund from the Road Use Tax and Capital Projects funds in order to fund urban renewal projects. The loan will be repaid, along with interest at 5%, as property taxes (tax incremental financing) are received. At June 30, 2005, the loan amount outstanding totals \$27,725.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF TAMA

**Budgetary Comparison Schedule of Receipts, Disbursements, and
Changes in Balances - Budget to Actual (Cash Basis) -
All Governmental Funds and Proprietary Funds
Required Supplementary Information**

Year ended June 30, 2005

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>
RECEIPTS:		
Property tax	\$ 641,617	\$ -
Tax increment financing collections	30,210	-
Other city tax	157,064	-
Licenses and permits	19,794	-
Use of money and property	118,227	12,949
Intergovernmental	364,766	-
Charges for services	223,582	590,440
Miscellaneous	<u>246,191</u>	<u>56,420</u>
Total receipts	<u>1,801,451</u>	<u>659,809</u>
DISBURSEMENTS:		
Public safety	593,193	-
Public works	386,834	-
Health and social services	4,089	-
Culture and recreation	169,609	-
Community and economic development	22,277	-
General government	127,852	-
Debt service	186,362	-
Capital projects	1,460,820	-
Business type activities	<u>-</u>	<u>670,569</u>
Total disbursements	<u>2,951,036</u>	<u>670,569</u>
Excess (deficiency) of receipts over (under) disbursements	(1,149,585)	(10,760)
OTHER FINANCING SOURCES, NET	<u>1,438,255</u>	<u>-</u>
Excess of receipts and other financing sources over disbursements and other financing uses	288,670	(10,760)
BALANCE, BEGINNING OF YEAR	<u>2,905,358</u>	<u>400,705</u>
BALANCE, END OF YEAR	<u>\$ 3,194,028</u>	<u>\$ 389,945</u>

Less Funds not Required to be Budgeted	Net	Budgeted Amounts		Final to Net Variance
		Original	Final	
\$ -	\$ 641,617	\$ 651,149	\$ 651,149	\$ (9,532)
-	30,210	29,240	29,240	970
-	157,064	163,281	163,281	(6,217)
-	19,794	13,155	13,155	6,639
-	131,176	81,000	81,000	50,176
-	364,766	339,465	504,965	(140,199)
-	814,022	823,524	850,124	(36,102)
-	<u>302,611</u>	<u>30,850</u>	<u>33,850</u>	<u>268,761</u>
-	<u>2,461,260</u>	<u>2,131,664</u>	<u>2,326,764</u>	<u>134,496</u>
-	593,193	547,911	630,196	37,003
-	386,834	519,985	450,905	64,071
-	4,089	5,615	6,100	2,011
-	169,609	160,551	192,254	22,645
-	22,277	25,000	28,000	5,723
-	127,852	128,452	127,981	129
-	186,362	179,185	186,862	500
-	1,460,820	165,000	1,847,651	386,831
-	<u>670,569</u>	<u>677,036</u>	<u>737,333</u>	<u>66,764</u>
-	<u>3,621,605</u>	<u>2,408,735</u>	<u>4,207,282</u>	<u>585,677</u>
-	(1,160,345)	(277,071)	(1,880,518)	720,173
-	<u>1,438,255</u>	<u>10,000</u>	<u>1,525,000</u>	<u>(86,745)</u>
-	277,910	(267,071)	(355,518)	633,428
<u>52,176</u>	<u>3,253,887</u>	<u>3,857,557</u>	<u>3,306,063</u>	<u>(52,176)</u>
<u>\$ 52,176</u>	<u>\$ 3,531,797</u>	<u>\$ 3,590,486</u>	<u>\$ 2,950,545</u>	<u>\$ 581,252</u>

See accompanying independent auditor's report.

CITY OF TAMA
Notes to Required Supplementary Information -
Budgetary Reporting

June 30, 2005

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 Internal Service Funds and Fiduciary Funds. The annual budget may be amended during the year utilizing similarly statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. 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, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and 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. During the year, two budget amendments increased budgeted disbursements by \$1,980,236. The budget amendments are reflected in the final budgeted amounts.

OTHER SUPPLEMENTARY INFORMATION

CITY OF TAMA

**Statement of Cash Receipts, Disbursements,
and Changes in Cash Balances**

Nonmajor Governmental Funds

As of and for the year ended June 30, 2005

	Special Revenue			
	Trust & Agency	Civic Center	Tax Increment Financing	Employee Benefit
RECEIPTS:				
Property tax	\$ -	\$ -	\$ -	\$ 137,898
Tax increment financing collections	-	-	-	-
Other city tax	-	-	-	5,583
Use of money and property	2,417	58	-	960
Miscellaneous	<u>63,972</u>	<u>640</u>	<u>-</u>	<u>-</u>
Total receipts	<u>66,389</u>	<u>698</u>	<u>-</u>	<u>144,441</u>
 DISBURSEMENTS:				
Operating:				
Public safety	26,997	-	-	-
Public works	-	-	7,000	-
Culture and recreation	15,592	-	-	-
General government	571	1,204	-	-
Capital projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>43,160</u>	<u>1,204</u>	<u>7,000</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>23,229</u>	<u>(506)</u>	<u>(7,000)</u>	<u>144,441</u>
 OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	6,987	-
Operating transfers out	<u>(5,184)</u>	<u>-</u>	<u>-</u>	<u>(137,848)</u>
Net other financing sources (uses)	<u>(5,184)</u>	<u>-</u>	<u>6,987</u>	<u>(137,848)</u>

Schedule 1

<u>Capital Projects</u>			<u>Permanent Cemetery Perpetual Care</u>	<u>Totals</u>
<u>Community Development</u>	<u>Downtown</u>	<u>Capital Projects</u>		
\$ -	\$ -	\$ -	\$ -	\$ 137,898
-	-	30,210	-	30,210
-	-	-	-	5,583
1,529	-	33,726	-	38,690
<u>58,193</u>	<u>13,288</u>	<u>70,105</u>	<u>-</u>	<u>206,198</u>
<u>59,722</u>	<u>13,288</u>	<u>134,041</u>	<u>-</u>	<u>418,579</u>
-	-	-	-	26,997
-	-	-	-	7,000
-	-	-	-	15,592
-	-	-	-	1,775
<u>-</u>	<u>14,049</u>	<u>132,424</u>	<u>-</u>	<u>146,473</u>
<u>-</u>	<u>14,049</u>	<u>132,424</u>	<u>-</u>	<u>197,837</u>
<u>59,722</u>	<u>(761)</u>	<u>1,617</u>	<u>-</u>	<u>220,742</u>
-	250,000	272,113	-	529,100
<u>(81,000)</u>	<u>-</u>	<u>(136,679)</u>	<u>-</u>	<u>(360,711)</u>
<u>(81,000)</u>	<u>250,000</u>	<u>135,434</u>	<u>-</u>	<u>168,389</u>

(continued)

CITY OF TAMA

**Statement of Cash Receipts, Disbursements,
and Changes in Cash Balances**

Nonmajor Governmental Funds

As of and for the year ended June 30, 2005

	<u>Special Revenue</u>			
	<u>Trust & Agency</u>	<u>Civic Center</u>	<u>Tax Increment Financing</u>	<u>Employee Benefit</u>
NET CHANGE IN CASH BALANCE	18,045	(506)	(13)	6,593
CASH BALANCES, BEGINNING OF YEAR	<u>77,194</u>	<u>2,969</u>	<u>13</u>	<u>1,227</u>
CASH BALANCES, END OF YEAR	<u>\$ 95,239</u>	<u>\$ 2,463</u>	<u>\$ -</u>	<u>\$ 7,820</u>
CASH BASIS FUND BALANCE:				
Unreserved:				
Special revenue funds	\$ 95,239	\$ 2,463	\$ -	\$ 7,820
Capital project funds	-	-	-	-
Permanent fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash basis fund balance	<u>\$ 95,239</u>	<u>\$ 2,463</u>	<u>\$ -</u>	<u>\$ 7,820</u>

Schedule 1

<u>Capital Projects</u>			<u>Permanent Cemetery Perpetual Care</u>	<u>Totals</u>
<u>Community Development</u>	<u>Downtown</u>	<u>Capital Projects</u>		
(21,278)	249,239	137,051	-	389,131
<u>113,728</u>	<u>-</u>	<u>34,178</u>	<u>52,176</u>	<u>281,485</u>
<u>\$ 92,450</u>	<u>\$ 249,239</u>	<u>\$ 171,229</u>	<u>\$ 52,176</u>	<u>\$ 670,616</u>
\$ -	\$ -	\$ -	\$ -	\$ 105,522
92,450	249,239	171,229	-	512,918
<u>-</u>	<u>-</u>	<u>-</u>	<u>52,176</u>	<u>52,176</u>
<u>\$ 92,450</u>	<u>\$ 249,239</u>	<u>\$ 171,229</u>	<u>\$ 52,176</u>	<u>\$ 670,616</u>

See accompanying independent auditor's report.

CITY OF TAMA

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

Nonmajor Enterprise Funds

As of and for the year ended June 30, 2005

	<u>Sewer Rehabilitation</u>	<u>Sewer Replacement</u>	<u>Totals</u>
OPERATING RECEIPTS:			
Charges for services	\$ 25,008	\$ 25,008	\$ 50,016
OPERATING DISBURSEMENTS:			
Business type activities:			
Sewer	<u>32,598</u>	<u>58,728</u>	<u>91,326</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	(7,590)	(33,720)	(41,310)
CASH BALANCE, BEGINNING	<u>41,705</u>	<u>100,429</u>	<u>142,134</u>
CASH BALANCE, ENDING	<u>\$ 34,115</u>	<u>\$ 66,709</u>	<u>\$ 100,824</u>
Cash Basis Fund balance:			
Unreserved	<u>\$ 34,115</u>	<u>\$ 66,709</u>	<u>\$ 100,824</u>

See accompanying independent auditor's report.

CITY OF TAMA
Schedule of Indebtedness
Year ended June 30, 2005

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Amount Originally Issued</u>
General obligation bonds:			
Flood control project	Mar. 1, 1991	6.65-6.75%	\$ 575,000
Flood protection	Mar. 1, 1993	4.60-4.70%	515,000
Aquatic Center Series 2004 A	August 1, 2004	2.25-4.75%	1,165,000
Aquatic Center Series 2004 B	August 1, 2004	2.25-5.00%	300,000
Total			
State Revolving Fund Notes:			
Loan notes	Oct. 1, 1993	4.37%	\$ 1,828,000

Schedule 3

<u>Balance Beginning of Year</u>	<u>Issued During Year</u>	<u>Redeemed During Year</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>	<u>Interest Due and Unpaid</u>
\$ 135,000	\$ -	\$ 65,000	\$ 70,000	\$ 9,080	\$ -
115,000	-	55,000	60,000	5,405	-
-	1,165,000	-	1,165,000	39,810	-
<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>10,867</u>	<u>-</u>
<u>\$ 250,000</u>	<u>\$ 1,465,000</u>	<u>\$ 120,000</u>	<u>\$ 1,595,000</u>	<u>\$ 65,162</u>	<u>\$ -</u>
<u>\$ 1,168,000</u>	<u>\$ -</u>	<u>\$ 96,000</u>	<u>\$ 1,072,000</u>	<u>\$ 51,042</u>	<u>\$ -</u>

See accompanying independent auditor's report.

CITY OF TAMA

Bond and Note Maturities

June 30, 2005

Year Ending June 30,	Flood Control Issued March 1, 1991		Flood Protection Issued March 1, 1993		General Obligation Aquatic Center Series 2004A Issued Aug. 1, 2004	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2006	6.75 %	\$ 70,000	4.70 %	\$ 60,000	2.25 %	\$ 40,000
2007		-		-	2.70	45,000
2008		-		-	3.00	45,000
2009		-		-	3.20	45,000
2010		-		-	3.40	50,000
2011		-		-	3.60	50,000
2012		-		-	3.75	50,000
2013		-		-	3.90	55,000
2014		-		-	4.00	55,000
2015		-		-	4.10	60,000
2016		-		-	4.20	60,000
2017		-		-	4.30	65,000
2018		-		-	4.40	65,000
2019		-		-	4.50	70,000
2020		-		-	4.60	75,000
2021		-		-	4.75	80,000
2022		-		-	4.75	80,000
2023		-		-	4.75	85,000
2024		-		-	4.75	90,000
Total		\$ 70,000		\$ 60,000		\$ 1,165,000

Schedule 4

<u>Bonds</u>			<u>State Revolving Fund Notes</u>	
Aquatic Center Series 2004B Issued Aug. 1, 2004			Loan Notes Issued Oct. 1, 1993	
<u>Interest</u>			<u>Interest</u>	
<u>Rates</u>	<u>Amount</u>	<u>Total</u>	<u>Rates</u>	<u>Amount</u>
2.75 %	\$ 10,000	\$ 180,000	4.37 %	\$ 100,000
3.00	10,000	55,000	4.37	104,000
3.20	10,000	55,000	4.37	109,000
3.40	10,000	55,000	4.37	113,000
3.60	10,000	60,000	4.37	118,000
3.80	15,000	65,000	4.37	124,000
4.00	15,000	65,000	4.37	129,000
4.10	15,000	70,000	4.37	135,000
4.20	15,000	70,000	4.37	140,000
4.30	15,000	75,000		-
4.40	15,000	75,000		-
4.50	15,000	80,000		-
4.60	20,000	85,000		-
4.70	20,000	90,000		-
4.80	20,000	95,000		-
4.90	20,000	100,000		-
5.00	20,000	100,000		-
5.00	20,000	105,000		-
5.00	25,000	115,000		-
	<u>\$ 300,000</u>	<u>\$1,595,000</u>		<u>\$1,072,000</u>

See accompanying independent auditor's report.

CITY OF TAMA

Schedule of Receipts by Source and Disbursements by Function -
All Governmental Funds

For the Last Three Years

	<u>2005</u>	<u>2004</u>	<u>2003</u>
RECEIPTS:			
Property tax	\$ 641,617	\$ 669,969	\$ 705,032
Tax increment financing collections	30,210	14,471	5,809
Other city tax	157,064	133,376	33,298
Licenses and permits	19,794	19,788	22,477
Use of money and property	118,227	106,243	72,016
Intergovernmental	364,766	271,417	804,352
Charges for service	223,582	184,486	183,942
Miscellaneous	<u>246,191</u>	<u>229,661</u>	<u>74,559</u>
Total	<u>\$ 1,801,451</u>	<u>\$ 1,629,411</u>	<u>\$ 1,901,485</u>
DISBURSEMENTS:			
Operating:			
Public safety	\$ 593,193	\$ 501,974	\$ 449,528
Public works	386,834	530,715	386,698
Health and social services	4,089	4,814	3,011
Culture and recreation	169,609	176,179	140,647
Community and economic development	22,277	22,028	-
General government	127,852	124,930	118,362
Debt service	186,362	178,885	176,842
Capital projects	<u>1,460,820</u>	<u>798,672</u>	<u>563,366</u>
Total	<u>\$ 2,951,036</u>	<u>\$ 2,338,197</u>	<u>\$ 1,838,454</u>

See accompanying independent auditor's report.

CITY OF TAMA

Schedule of Sewer Service Charges

Year ended June 30, 2005

	<u>Category A</u>	<u>Category B</u>
Criteria:	Users who discharge normal domestic strength wastewater	Users who discharge concentration levels greater than Category A users
Allowable concentration levels:	BOD* no greater than 300 mg/l Suspended solids no greater than 350 mg/l Ammonia nitrogen no greater than 40 mg/l	
Fixed monthly charge:	\$7.00	\$7.00
Volume charge:	\$4.27/1,000 gallons	\$4.27/1,000 gallons
Surcharge for concentration Levels exceeding Category A:		BOD* \$0.32/lb suspended solids \$0.17/lb ammonia nitrogen \$1.16/lb

*Biochemical oxygen demand

See accompanying independent auditor's report.

CITY OF TAMA

Schedule of Insurance in Force

Year ended June 30, 2005

<u>Insurer</u>	<u>Policy Number</u>	<u>Type of Coverage</u>
Nationwide Mutual Insurance Company	ACP WC 7130261971	Workers' Compensation Employer's Liability
Nationwide Mutual Insurance Company	ACP 7130261971	Commercial property Auto Commercial Inland Marine and scheduled property Fidelity bond
Iowa Communities Assurance Pool	0019	General Liability/ Officials Liability Law Enforcement Liability

<u>Policy period</u>	<u>Exposure Coverage</u>	<u>Amount of Coverage</u>
4/1/05 to 1/4/06	Workers' Compensation All Employees	Statutory \$100,000/Accident \$100,000/Employee \$500,000/Policy Limit
4/1/05 to 4/1/06 4/1/05 to 4/1/06	Property Damage Auto Liability	90% of value \$1,000,000 Liability
4/1/05 to 4/1/06 1/1/05 to 1/1/06	Non Real Estate Property Employee Performance	Replacement Value \$50,000
4/1/05 to 4/1/06	General Liability Officials Liability Law Enforcement Liability	\$2,000,000 \$2,000,000 \$2,000,000

See accompanying independent auditor's report.

CITY OF TAMA
Schedule of Legal Debt Margin
June 30, 2005

Valuation of City as of January 1, 2004	\$ 75,152,560
Legal debt limitation percentage	<u>5%</u>
Legal debt limitation	3,757,628
General obligation indebtedness outstanding as of June 30, 2005	<u>1,595,000</u>
Legal Debt Margin	<u>\$ 2,162,628</u>

See accompanying independent auditor's report.

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor and
Members of the City Council
Tama, Iowa

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 Tama, Iowa, as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated September 30, 2005. Our report expressed an unqualified opinion on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Tama'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 a reportable condition. 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 Tama's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in Part II of 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 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, we believe the reportable condition described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Tama'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 that are described in Part III in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2005 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 Tama and other parties to whom the City 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.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Tama 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.

Clifton Henderson LLP

Cedar Rapids, Iowa
September 30, 2005

CITY OF TAMA
Schedule of Findings
Year ended June 30, 2005

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

- (a) An unqualified opinion was issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
- (b) A reportable condition in internal control over financial reporting was disclosed by the audit of the financial statements and was considered a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

05-A-05: Segregation of Duties

Criteria:

The City should have adequate segregation of duties to provide for the accuracy and reliability of the financial statements.

Condition:

The City does not have adequate segregation of duties over all accounting transactions.

Context:

Internal controls that are in place could be averted, overridden, or not consistently implemented.

Effect:

As result of this condition, there is a higher risk that errors or irregularities could occur and not be detected within a timely period.

Cause:

The City has a limited number of personnel performing accounting functions.

Recommendation:

When this condition exists, management's close supervision and review of accounting information is the best means of preventing or detecting errors and irregularities. We recommend the City review its operating procedures to obtain the maximum internal control possible under the circumstances.

CITY OF TAMA

Schedule of Findings

Year ended June 30, 2005

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS (CONTINUED)

05-A-05: Segregation of Duties (continued)

Management Response:

With a limited number of office employees, segregation of duties is sometimes difficult. Management is aware of the lack of segregation of duties and has considered alternatives to improve the situation. Management is monitoring the situation and is segregating accounting duties where practical.

Prior year reportable conditions have been resolved except for the reportable condition described above.

PART III: FINDINGS RELATED TO STATUTORY REPORTING

- III-A-05 Official Depositories - A resolution naming the official depository bank has been approved by the City. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2005.
- III-B-05 Certified Budget - Disbursements during the year ended June 30, 2005 did not exceed the amounts budgeted. Chapter 384.20 of the Code of Iowa states in part that public monies may not be expended or encumbered except under an annual or continuing appropriation.
- III-C-05 Questionable Disbursements - We noted no disbursements that fail to meet the requirements of public purposes as defined in an Attorney General's opinion dated April 25, 1979.
- III-D-05 Travel Expense - No expenditures of City money for travel expenses of spouses of City officials or employees were noted.
- III-E-05 Business Transactions - There were no business transactions between the City and City officials.
- III-F-05 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 that the coverage is adequate for current operations.
- III-G-05 Council Minutes - No transactions were found that we believe should have been approved in the Council minutes but were not.

CITY OF TAMA

Schedule of Findings

Year ended June 30, 2005

PART III: FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED)

III-H-05 Revenue Bonds - The sewer revenue bond resolution provides that revenue bond principal and interest must be paid solely out of the net earnings of the sewage works and facilities. It also provides a sum equal to one-twelfth of the principal of all bonds maturing on the succeeding June 1, plus a sum equal to one-sixth of the interest coming due on succeeding December 1, be deposited in the Enterprise Fund - Sewer Rental Bond in monthly installments prior to such June 1 and December 1. In addition, the resolution establishes an initial reserve balance of \$60,000 to be deposited from cash on hand. As of June 30, 2005, the City was in compliance with the deposit requirements of the resolution.

III-I-05 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the City's investment policy were noted.

III-J-05 Compliance with Loan and Grant Agreements - During the year ended June 30, 2005, the City had a loan balance through the state revolving fund. The loan agreement contained certain provisions with which the City must comply. It appears the City has complied with all provisions, except the following:

Comment - The City has not provided a balance sheet in its financial statements and has not prepared the financial statements using the accrual method of accounting as of June 30, 2005.

Recommendation - The City should either comply with the provisions to provide a balance sheet in its financial statements and also prepare its financial statements on the accrual basis of accounting or obtain a waiver from complying with these provisions.

Response - The City will try to obtain a waiver from these provisions.

Conclusion - Response accepted.

CITY OF TAMA

Audit Staff

This audit was performed by:

William E. Murray, CPA, Audit Partner

James T. Fitzpatrick, CPA, Associate

Tonya N. Determan, Associate