

CITY OF WYOMING

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

JUNE 30, 2012

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City of Wyoming

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
(Before January 1, 2012)		
Allen Willman	Mayor	Jan 2012
Rod Gravel	Council Member	Jan 2012
Alva Husmann	Council Member	Jan 2012
Steve Agnitsch	Council Member	Jan 2014
Kelly Dodge	Council Member	Jan 2014
Chris Watters	Council Member	Jan 2014
Sheri Tjaden	Clerk	Indefinite
Janette Voss	Attorney	Indefinite
(After January 1, 2012)		
Allen Willman	Mayor (resigned eff. 6/11/2012)	
Steve Heiken	Mayor (eff. 6/25/2012, to fill vacancy)	Jan 2013
Steve Agnitsch	Council Member	Jan 2014
Kelly Dodge	Council Member	Jan 2014
Chris Watters	Council Member	Jan 2014
Rod Gravel	Council Member	Jan 2016
John Hollingshead	Council Member (appointed to fill vacancy)	Jan 2013
Sheri Tjaden	Clerk	Indefinite
Janette Voss	Attorney	Indefinite



Alan W. Flick, CPA
Gina E. Trimble, CPA

819 First Street East
Independence, IA 50644
(319)334-4211
Fax (319)334-6454
rfsw.com

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Wyoming, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the City of Wyoming's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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 Wyoming as of June 30, 2012, 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 our reports dated October 23, 2012 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 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 on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wyoming's basic financial statements. The supplementary 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, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wyoming's basic financial statements. Management's Discussion and Analysis and the budgetary comparison information on pages 6 through 11 and 27 through 29 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.

October 23, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Wyoming provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

2012 FINANCIAL HIGHLIGHTS

- Revenues of the City's governmental activities increased approximately \$658,230 from fiscal 2011 to fiscal 2012. Property tax increased approximately \$9,770 and bond proceeds increased \$452,575.
- Disbursements increased approximately \$844,583 in fiscal 2012 from fiscal 2011. Public Works and capital projects disbursements increased approximately \$223,645 and 669,111 respectively. Debt service decreased 2,829.
- The City's total cash basis net assets decreased approximately \$58,724 from June 30 2011 to June 30, 2012. Of this amount, the assets of the governmental activities decreased approximately \$132,000 and the assets of the business type activities increased by approximately \$74,000.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Other Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the City.

Basis of Accounting

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

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

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

- Governmental Activities include public safety, public works, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities. Public Works includes street and bridge funds. Local Option Tax is used for streets and the Rohwedder Trust fund is used for street repairs and construction with restriction. Culture and recreation includes the Calkins Square museum which is funded by restricted interest. It also includes the Wyoming Historical Museum which is supported by contributions.
- Business Type Activities include the waterworks, the sanitary sewer system, storm sewer and the childcare center. These activities are financed primarily by user charges.

Fund Financial Statements

The City has two kinds of funds:

1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Road Use Tax and Local Option Sales Tax 3) the Debt Service Fund, 4) the Capital Projects Fund and 5) the Permanent 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 and for the Internal Service Fund. Enterprise Funds are used to report business type activities. The City maintains four Enterprise Funds to provide separate information for the water, sewer and childcare funds, considered to be major funds of the City. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

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

Reconciliations between the government-wide statement and the fund financial statements follow the fund financial statements.

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 slightly from a year ago, decreasing from \$772,094 to \$713,370. The analysis that follows focuses on the changes in cash balances for activities.

Changes in Cash Basis Net Assets

(Expressed in Thousands)

	Governmental activities		Business-type activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	34	33	305	237	339	270
Capital grants and contributions	675		53	139	728	139
General revenues:						
Property tax	169	159			169	159
Local Option Sales tax	40	46			40	46
Other taxes	3	6			3	6
Earnings on investments	7	7	4	5	11	12
Other	350	303	7	12	357	315
Total revenues	1278	554	369	393	1647	947
Expenses:						
Public Safety	42	41			42	41
Public Works	352	128			352	128
Health and Social Services		1				1
Culture and Recreation	218	213			218	213
Community and Economic Development		7				7

Capital Projects	677	8			677	8	
General government	65	70			65	70	
Debt Service	56	59			56	59	
Sewer			134	133	134	133	
Water			110	225	110	225	
Storm water				1		1	
Childcare			51	11	51	11	
	Total expenses	1410	527	295	370	1705	897
Change in assets before transfers	-132	27	74	23	-58	50	
Transfers	0		0		0	0	
Change in net assets	-132	27	74	23	-58	50	
Net assets beginning of year	625	623	146	98	771	721	
Net assets ending of year	493	650	220	121	713	771	

The City's total receipts for governmental activities increased \$658,230. The total cost of all programs and services increased by approximately \$844,583 with no new programs added this year. The significant increase in receipts was primarily the result of proceeds received from the issuance of community development block grant, USDA ARRA grant and USDA loan for the childcare capital project.

The City's property tax receipts increased by approximately \$9,770 in 2012. Based on increases in the total assessed valuation, property tax receipts are budgeted to decrease by \$6,969 next year.

The cost of all governmental activities this year was \$1.436 million compared to \$591,437 last year. The General fund, supported by tax dollars, pays for police protection, fire protection, EMS, insurance, Library and general operating expenses. The museums, Wyoming Historical Museum and Calkins Square, are also under the general fund but are self supportive.

Total business type activities receipts for the fiscal year were \$468,404 compared to \$456,032 last year. The cash balance increased by approximately \$73,332 from the prior year because water and sewer rates were increased. Total disbursements and transfers for the fiscal year decreased by a total of \$64,078.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Wyoming completed the year, its governmental funds reported a combined fund balance of \$493,129 a decrease of more than \$132,000 below last year's total of \$625,184. 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 1,795. General increased 9,959 while Library and museum funds decreased 11,754.
- The Childcare Capitol Project fund cash balance decreased 2,200 due to project invoices paid.

- The Local Option Sales Tax Fund cash balance decreased 24,442 from the prior year to \$91,620 due to increased street repairs.
- The Rohwedder Trust Fund cash balance decreased by \$99,159 to \$54,695 during the fiscal year. This decrease was due to the HWY 136 IDOT project.

INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Water Fund cash balance increased by \$44,489 to \$112,725, due primarily to an increase rates.
- The Sewer Fund cash balance increased by \$38,685 to \$81,055, due primarily to an increase in rates and reduction in revenue bond payments from the prior year.
- The Childcare Fund decreased by \$13,057 due to purchase of equipment.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City amended its budget two times. The first amendment was approved on November 14, 2011 and resulted in an increase in operating disbursements related to a the bridge repair and IDOT street project The second amendment was approved on May 14, 2012 to provide for additional disbursements in Culture and Recreation for the Calkins Barn project and Library. The City had sufficient cash balances to absorb these additional costs.

DEBT ADMINISTRATION

At June 30, 2012, the City had approximately \$1,505,824 in bonds and other long-term debt, compared to approximately \$1,073,662 last year, as shown below.

Outstanding Debt at Year-End
(Expressed in thousands)

	<u>2012</u>	<u>2011</u>
General Obligation bonds	405	378
Revenue bonds	1101	696
Anticipatory warrants		18
Total	<u>1506</u>	<u>1092</u>

Debt increased as a result of issuing revenue bonds for a childcare center construction project and the bridge project.

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 \$405,000 is significantly below its constitutional debt limit of \$976,829.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Wyoming's elected and appointed officials and citizens considered many factors when setting the fiscal year 2013 budget, tax rates, and fees that will be charged for various City activities. One of those factors is the population. The City's population has declined from 656 in 2000 to 515 in 2010 according to the census.

Budgeted disbursements are expected to decrease by approximately \$12,000. The City has added no major new programs or initiatives to the 2013 budget.

The City's tax levy for FY 2013 is \$14.9457 per \$1,000 of taxable valuation. This is a decrease from \$15.71521 for FY 2012.

If these estimates are realized, the City's budgeted cash balance is expected to decrease by approximately \$4,000 by the close of 2013.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sheri Tjaden, City Clerk, 141 W. Main Street, Wyoming, Iowa.

Basic Financial Statements

City of Wyoming
 Statement of Activities and Net Assets - Cash Basis
 As of and for the year ended June 30, 2012

	Disbursements	Program Receipts		
		Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Functions / Programs:				
Governmental activities:				
Public safety	\$ 42,187	-	-	-
Public works	352,075	35,309	48,848	-
Culture and recreation	217,555	769	195,551	-
General government	65,171	5,876	9,053	-
Debt service	56,075	7,927	-	-
Capital projects	676,823	475	-	674,791
Total governmental activities	1,409,886	50,356	253,452	674,791
Business type activities:				
Water	84,245	148,893	-	-
Sewer	54,345	119,717	-	-
Childcare	50,775	32,694	-	-
Other Nonmajor Proprietary Funds	105,897	3,864	-	-
Total business type activities	295,262	305,168	-	-
Total	\$ 1,705,148	355,524	253,452	674,791

General Receipts:

- Property tax levied for:
 - General purposes
 - Debt service
- Local option sales tax
- Other city tax
- Unrestricted interest on investments
- Loan and Bond Proceeds
- Miscellaneous
- Transfers

Total general receipts and transfers

Change in cash basis net assets

Cash basis net assets beginning of year

Cash basis net assets end of year

Cash Basis Fund Balances

- Restricted:
 - Expendable:
 - Streets
 - Debt service fund
 - Other purposes
 - Unrestricted

Total cash basis fund balances

See notes to financial statements

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business Type Activities	Total
(42,187)	-	(42,187)
(267,918)	-	(267,918)
(21,235)	-	(21,235)
(50,242)	-	(50,242)
(48,148)	-	(48,148)
(1,557)	-	(1,557)
(431,287)	-	(431,287)
-	64,648	64,648
-	65,372	65,372
-	(18,081)	(18,081)
-	(102,033)	(102,033)
-	9,906	9,906
(431,287)	9,906	(421,381)
120,766	-	120,766
47,982	-	47,982
39,784	-	39,784
2,518	-	2,518
2,515	595	3,110
85,000	52,500	137,500
668	10,331	10,999
-	-	-
299,233	63,426	362,659
(132,054)	73,332	(58,722)
625,182	146,909	772,091
\$ 493,128	220,241	713,369
\$ 166,401	-	166,401
22,072	41,177	63,249
187,923	-	187,923
116,732	179,064	295,796
\$ 493,128	220,241	713,369

City of Wyoming

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

As of and for the year ended June 30, 2012

	General	Special Revenue		Capital Project Childcare Project	Other Nonmajor Governmental Funds	Total
		Local Option Sales Tax	Rohwedder			
Receipts:						
Property tax	\$ 103,208	-	-	-	65,540	168,748
Other city tax	1,719	39,784	-	-	799	42,302
Licenses and permits	4,186	-	-	-	-	4,186
Use of money and property	6,355	-	506	-	-	6,861
Intergovernmental	20,267	-	-	674,058	48,848	743,173
Charges for service	33,807	-	-	475	-	34,282
Special Assessments	1,690	-	-	-	7,927	9,617
Miscellaneous	183,663	-	-	-	-	183,663
Total receipts	354,895	39,784	506	674,533	123,114	1,192,832
Disbursements:						
Operating:						
Public safety	42,187	-	-	-	-	42,187
Public works	126,059	64,226	99,665	-	62,125	352,075
Culture and recreation	215,620	-	-	-	1,935	217,555
General government	57,824	-	-	-	7,347	65,171
Debt service	-	-	-	-	56,075	56,075
Capital projects	-	-	-	676,823	-	676,823
Total disbursements	441,690	64,226	99,665	676,823	127,482	1,409,886
Excess (deficiency) of receipts over (under) disbursements	(86,795)	(24,442)	(99,159)	(2,290)	(4,368)	(217,054)
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Loan and bond proceeds	85,000	-	-	-	-	85,000
Total other financing sources (uses)	85,000	-	-	-	-	85,000
Net change in cash balances	(1,795)	(24,442)	(99,159)	(2,290)	(4,368)	(132,054)
Cash balances beginning of year	294,799	116,062	153,854	9,241	51,226	625,182
Cash balances end of year	\$ 293,004	91,620	54,695	6,951	46,858	493,128
Cash Basis Fund Balances						
Restricted						
Streets	\$ -	91,620	54,695	-	20,086	166,401
Debt service	-	-	-	-	22,072	22,072
Other purposes	176,272	-	-	6,951	4,700	187,923
Assigned	8,243	-	-	-	-	8,243
Unassigned	108,489	-	-	-	-	108,489
Total cash basis fund balances	\$ 293,004	91,620	54,695	6,951	46,858	493,128

See notes to financial statements

City of Wyoming

Reconciliation of the Statement of Cash
Receipts, Disbursements and Changes in Cash Balances
to the Statement of Activities and Net Assets -
Governmental Funds

As of and for the year ended June 30, 2012

Total governmental funds cash balances (page 15)	\$ 493,128
The city does not have an internal service fund. Therefore there are no reconciling items.	<u>-</u>
Cash basis net assets of governmental activities (page 14)	<u>\$ 493,128</u>
Net change in cash balances (page 15)	\$ (132,054)
The city does not have an internal service fund. Therefore there are no reconciling items.	<u>-</u>
Change in cash balance of governmental activities (page 14)	<u>\$ (132,054)</u>

See notes to financial statements

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

As of and for the year ended June 30, 2012

	Proprietary Funds				Total
	Water	Sewer	Childcare	Other Nonmajor Proprietary	
Operating receipts:					
Use of money and property	\$ 4,103	185	82	14	4,384
Charges for service	148,893	119,717	32,694	3,864	305,168
Intergovernmental	-	-	-	52,500	52,500
Miscellaneous	-	-	4,942	1,600	6,542
Total operating receipts	<u>152,996</u>	<u>119,902</u>	<u>37,718</u>	<u>57,978</u>	<u>368,594</u>
Operating disbursements:					
Business type activities	84,245	54,345	50,775	105,897	295,262
Total operating disbursements	<u>84,245</u>	<u>54,345</u>	<u>50,775</u>	<u>105,897</u>	<u>295,262</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	<u>68,751</u>	<u>65,557</u>	<u>(13,057)</u>	<u>(47,919)</u>	<u>73,332</u>
Non-operating receipts (disbursements):					
Debt service	-	-	-	-	-
Total non-operating receipts (disbursements)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>68,751</u>	<u>65,557</u>	<u>(13,057)</u>	<u>(47,919)</u>	<u>73,332</u>
Operating transfers in/(out)	<u>(24,562)</u>	<u>(43,200)</u>	<u>-</u>	<u>67,762</u>	<u>-</u>
Net change in cash balances	44,189	22,357	(13,057)	19,843	73,332
Cash balances beginning of year	<u>36,223</u>	<u>25,969</u>	<u>31,625</u>	<u>53,092</u>	<u>146,909</u>
Cash balances end of year	<u>\$ 80,412</u>	<u>48,326</u>	<u>18,568</u>	<u>72,935</u>	<u>220,241</u>
Cash Basis Fund Balances					
Restricted for:					
Debt service	\$ -	-	-	41,177	41,177
Committed	-	-	-	23,865	23,865
Unassigned	80,412	48,326	18,568	7,893	155,199
Total cash basis fund balances	<u>\$ 80,412</u>	<u>48,326</u>	<u>18,568</u>	<u>72,935</u>	<u>220,241</u>

See notes to financial statements

City of Wyoming

Reconciliation of the Statement of Cash
Receipts, Disbursements and Changes in Cash Balances
to the Statement of Activities and Net Assets -
Proprietary Funds

As of and for the year ended June 30, 2012

Total enterprise funds cash balances (page 17)	\$ 220,241
The city does not have an internal service fund. Therefore there are no reconciling items.	<u>-</u>
Cash basis net assets of business type activities (page 14)	<u>\$ 220,241</u>
Net change in cash balances (page 17)	\$ 73,332
The city does not have an internal service fund. Therefore there are no reconciling items.	<u>-</u>
Change in cash balance of business type activities (page 14)	<u>\$ 73,332</u>

See notes to financial statements

City of Wyoming

Notes to Financial Statements

June 30, 2012

(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, health and social services, culture and recreation, community and economic development, general government services. The City also provides water, sewer and storm sewer utilities for its citizens, as well as childcare facility 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 that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Jones County Emergency Management Commission, Jones County Sheriff's Department, Jones County Landfill, Midland Ambulance, Wyoming Volunteer Fire Department, and Jones County Tourism.

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 the following categories/components:

Nonexpendable restricted net assets are subject to externally imposed stipulations which require them to be maintained permanently by the City, including the City's Permanent Fund.

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

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

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

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

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

The Special Revenue – Local Option Sales Tax Fund is used to account for receipts from the local option sales tax. The receipts are used to finance road construction and maintenance in the City.

The Special Revenue – Rohwedder Fund is used for the construction of streets.

The Capital Projects – Childcare Project Fund is used to account for the construction of the daycare and early childhood development center facility.

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 wastewater treatment and sanitary sewer system.

The Childcare Fund accounts for the operation and maintenance of the City's daycare and early childhood development center.

C. Measurement Focus and 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.

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

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

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. Governmental Cash Basis Fund Balances

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the City Council intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information. During the year ended June 30, 2012, disbursements did not exceed the amounts budgeted in any function.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2012 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

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

(3) Bonds and Notes Payable

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

Year Ending June 30,	General Obligation Notes		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 59,000	12,644	637,000	31,260	696,000	43,904
2014	59,000	13,013	36,000	15,870	95,000	28,883
2015	61,000	10,832	37,000	14,790	98,000	25,622
2016	61,000	8,571	38,000	13,680	99,000	22,251
2017	40,000	6,310	40,000	12,540	80,000	18,850
2018- 2020	125,000	7,720	378,000	63,060	503,000	70,780
Total	<u>\$ 405,000</u>	<u>59,090</u>	<u>1,166,000</u>	<u>151,200</u>	<u>1,571,000</u>	<u>210,290</u>

The Code of Iowa requires principal and interest on general obligation bonds be paid from the Debt Service Fund. However, \$17,000 of principal and \$1,373 of interest was paid from the Local Option Sales Tax Fund during the year ended June 30, 2012.

Revenue Bonds, Loans, and Notes

The City has pledged future sewer customer receipts, net of specified operating disbursements, to repay \$404,000 of sewer revenue bonds issued in March 2001. Proceeds from the bonds provided financing for the construction improvements and extensions to the sewer system. The bonds are payable solely from sewer customer net receipts and are payable through 2022. The Utility shall leave a balance of net revenues equal to 110% of the principal and interest on the bonds. The total principal and interest remaining to be paid on the bonds is \$280,910. For the current year, principal and interest paid was \$26,740 and the balance of net revenues was \$48,326.

The City has pledged future water customer receipts, net of specified operating disbursements, to repay \$374,000 of water revenue bonds issued in August 2009. Proceeds from the bonds provided financing for the construction of extension of the water service to the City. The bonds are payable solely from water customer net receipts and are payable through 2029. The Utility shall leave a balance of net revenues equal to 110% of the principal and interest on the bonds. The total principal and interest remaining to be paid on the bonds is \$419,950. For the current year, principal and interest paid was \$24,170 and the balance of net revenues was \$80,412.

The resolutions providing for the issuance of the revenue bonds include the following provisions:

- (a) The notes 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.
- (b) Sufficient monthly transfers shall be made to separate water and sewer revenue note sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.

The City has an Interim Loan and Disbursement Agreement for \$243,500 which was issued December 2008. Proceeds from the note provided financing for the planning and design phase of extension of the sanitary sewer system. There is no interest on the loan and no principal or interest payments have been made. The loan will be refinanced once the sanitary sewer project is begun.

During the year a Child Care Facility Enterprise Revenue Loan Agreement Anticipation Project note was issued for \$358,500. Proceeds from the note provided financing for the construction and furnishing of a child care center. During the next fiscal year the note will be refinanced through the U.S. Department of Agriculture and Child Care Facility Enterprise Revenue Notes will be issued. The total principal and interest remaining to be paid on the bonds is \$372,840. For the current year, no principal payments were made and interest paid was \$1,858.

(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.

Most regular plan members are required to contribute 5.38% of their annual covered salary and the City is required to contribute 8.07% of annual covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the year ended June 30, 2012 was \$9,357, equal to the required contribution for the year.

(5) Other Postemployment Benefits (OPEB)

Plan Description - The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and retirees and their spouses. There are four active and no retired members in the plan. Retired participants must be age 55 or older at retirement. The medical/prescription drug benefits are provided through a fully-insured plan with United Healthcare.

Funding Policy - The contribution requirements of plan members are established and may be amended by the City. The City currently finances the health benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$270 for employee coverage, \$473 for employee/child coverage, \$1,223 for employee/spouse coverage, and \$1,283 for employee/spouse/child coverage. For the year ended June 30, 2012, the City contributed \$32,869 to the plan.

(6) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation, compensatory and sick time 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, compensatory, and sick time payable to employees at June 30, 2012, primarily relating to the General Fund, is \$1,994. This liability has been computed based on rates of pay in effect at June 30, 2012.

(7) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2012 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Enterprise-Water	Enterprise-Water Grant	\$ 2,957
Enterprise-Water Sinking	Enterprise-Water	27,519
Enterprise-Sewer Sinking	Enterprise-Sewer	43,200

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

(8) Related Party Transactions

There were no business transactions between the City and City officials during the year ended June 30, 2012.

(9) Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Litigation

The City is not subject to any pending litigation.

(11) Construction Contracts

During the current fiscal year, the City entered into a construction contract totaling \$608,117 for expenses associated with the construction of a childcare facility. The unpaid contract commitments as of June 30, 2012 totaled \$19,658 and was paid subsequent to year end. The project was funded through a community development block grant and a U.S. Department of Agriculture Rural Development grant and loan.

(12) Subsequent Events

There were no subsequent events through October 23, 2012 the date of the audit report.

Other Information

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

Other Information

Year ended June 30, 2012

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds not Required to be Budgeted
Receipts:			
Property tax	\$ 168,748	-	-
Other city tax	42,302	-	-
Licenses and permits	4,186	-	-
Use of money and property	6,861	4,384	-
Intergovernmental	743,173	52,500	-
Charges for service	34,282	305,168	-
Special Assessments	9,617	-	-
Miscellaneous	183,663	6,542	-
Total receipts	1,192,832	368,594	-
Disbursements:			
Public safety	42,187	-	-
Public works	352,075	-	-
Culture and recreation	217,555	-	-
General government	65,171	-	-
Debt service	56,075	-	-
Capital projects	676,823	-	-
Business type activities	-	295,262	-
Total disbursements	1,409,886	295,262	-
Excess (deficiency) of receipts over (under) disbursements	(217,054)	73,332	-
Other financing sources(uses), net	85,000	-	-
Excess of receipts and other financing sources over disbursements and other financing uses	(132,054)	73,332	-
Balances beginning of year	625,182	146,909	-
Balances end of year	\$ 493,128	220,241	-

See accompanying independent auditor's report.

Net	Budgeted Amounts		Final to Net Variance
	Original	Final	
168,748	165,374	165,374	3,374
42,302	52,631	52,631	(10,329)
4,186	990	990	3,196
11,245	12,164	12,164	(919)
795,673	383,716	645,976	149,697
339,450	624,744	594,744	(255,294)
9,617	7,481	7,481	2,136
190,205	158,600	162,958	27,247
1,561,426	1,405,700	1,642,318	(80,892)
42,187	41,984	42,760	573
352,075	189,859	379,835	27,760
217,555	212,352	246,190	28,635
65,171	76,604	76,604	11,433
56,075	56,075	56,075	-
676,823	471,176	744,223	67,400
295,262	1,095,845	1,095,845	800,583
1,705,148	2,143,895	2,641,532	936,384
(143,722)	(738,195)	(999,214)	855,492
85,000	729,575	838,575	(753,575)
(58,722)	(8,620)	(160,639)	101,917
772,090	340,223	772,094	-
713,368	331,603	611,455	101,917

City of Wyoming

Notes to Other Information – Budgetary Reporting

June 30, 2012

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

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

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, the Permanent and the Enterprise 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 revenues by \$236,618 and budgeted disbursements by \$497,637. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2012, disbursements did not exceed the amounts budgeted in any function.

Supplementary Information

City of Wyoming

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

As of and for the year ended June 30, 2012

	Special Revenue			Debt Service	Total
	Road Use	I-JOBS	Trust & Agency		
Receipts:					
Property tax	\$ -	-	17,558	47,982	65,540
Other city tax	-	-	1	798	799
Licenses and permits	-	-	-	-	-
Use of money and property	-	-	-	-	-
Intergovernmental	48,848	-	-	-	48,848
Charges for services	-	-	-	-	-
Special assessments	-	-	-	7,927	7,927
Miscellaneous	-	-	-	-	-
Total receipts	48,848	-	17,559	56,707	123,114
Disbursements:					
Operating:					
Public safety	-	-	-	-	-
Public works	50,198	3,327	8,600	-	62,125
Culture and recreation	-	-	1,935	-	1,935
General government	-	-	7,347	-	7,347
Debt Service	-	-	-	56,075	56,075
Capital projects	-	-	-	-	-
Total disbursements	50,198	3,327	17,882	56,075	127,482
Excess (deficiency) of receipts over (under) disbursements	(1,350)	(3,327)	(323)	632	(4,368)
Other financing sources:					
Operating transfers in/(out)	-	-	-	-	-
Loan proceeds	-	-	-	-	-
Net change in cash balances	(1,350)	(3,327)	(323)	632	(4,368)
Cash balances beginning of year	21,436	3,327	5,023	21,440	51,226
Cash balances end of year	\$ 20,086	-	4,700	22,072	46,858
Cash Basis Fund Balances					
Restricted:					
Streets	\$ 20,086	-	-	-	20,086
Debt service	-	-	-	22,072	22,072
Other purposes	-	-	4,700	-	4,700
Total cash basis fund balances	\$ 20,086	-	4,700	22,072	46,858

See accompanying independent auditor's report

City of Wyoming

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

As of and for the year ended June 30, 2012

	Proprietary Funds		
	Deposits	Water Grant	Water Sinking
Operating receipts:			
Use of money and property	\$ -	-	-
Charges for service	-	-	-
Intergovernmental	-	-	-
Miscellaneous	1,600	-	-
Total operating receipts	1,600	-	-
Operating disbursements:			
Business type activities	845	-	25,017
Total operating disbursements	845	-	25,017
Excess (deficiency) of operating receipts over (under) operating disbursements	755	-	(25,017)
Non-operating receipts (disbursements):			
Debt service	-	-	-
Total non-operating receipts (disbursements)	-	-	-
Excess (deficiency) of receipts over (under) disbursements	755	-	(25,017)
Operating transfers in/(out)	-	(2,957)	27,519
Net change in cash balances	755	(2,957)	2,502
Cash balances beginning of year	23,110	2,957	5,946
Cash balances end of year	\$ 23,865	-	8,448
Cash Basis Fund Balances			
Restricted for:			
Debt service	\$ -	-	8,448
Committed	23,865	-	-
Unrestricted	-	-	-
Total cash basis fund balances	\$ 23,865	-	8,448

See notes to financial statements

Sewer Grant	Sewer Sinking	Storm Sewer	Total
-	-	14	14
-	-	3,864	3,864
52,500	-	-	52,500
-	-	-	1,600
52,500	-	3,878	57,978
52,500	26,869	666	105,897
52,500	26,869	666	105,897
-	(26,869)	3,212	(47,919)
-	-	-	-
-	-	-	-
-	(26,869)	3,212	(47,919)
-	43,200	-	67,762
-	16,331	3,212	19,843
-	16,398	4,681	53,092
-	32,729	7,893	72,935
-	32,729	-	41,177
-	-	-	23,865
-	-	7,893	7,893
-	32,729	7,893	72,935

City of Wyoming
 Schedule of Indebtedness
 Year ended June 30, 2012

Obligation	Date of Issue	Interest Rates
General obligation bonds:		
G.O. Demo Note	May 25, 2005	3.85%
G.O. Corporate Purpose Note	October 27, 2009	4.00%
G.O. Corporate Purpose Note	July 1, 2010	4.00%
G.O. Bridge Improvement Note	September 13, 2011	3.00%
Revenue bonds:		
Sewer Revenue Bond - Series 2001	March 1, 2001	3.00%
Sewer Revenue Loan - Interim Loan Agreement	December 8, 2008	0.00%
Water Revenue Bond - Series 2009	August 5, 2009	3.00%
Child Care Facility Enterprise Revenue Loan Agreement Anticipation Project Note	September 14, 2009	4.00%

See accompanying independent auditor's report

Schedule 3

Amount Originally Issued	Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
60,000	30,000	-	6,000	24,000	1,155
220,000	200,000	-	20,000	180,000	8,000
159,000	148,000	-	15,000	133,000	5,920
85,000	-	85,000	17,000	68,000	1,373
<u>524,000</u>	<u>378,000</u>	<u>85,000</u>	<u>58,000</u>	<u>405,000</u>	<u>16,448</u>
404,000	258,000	-	19,000	239,000	7,740
243,500	243,500	-	-	243,500	-
374,000	339,000	-	14,000	325,000	10,170
358,500	358,500	-	-	358,500	1,858
<u>1,380,000</u>	<u>1,199,000</u>	<u>-</u>	<u>33,000</u>	<u>1,166,000</u>	<u>19,768</u>

City of Wyoming

Bond and Note Maturities

June 30, 2012

Year Ending June 30,	General Obligation Note		General Obligation Note		General Obligation Note	
	Demolition		Corporate Purpose		Corporate Purpose	
	May 25, 2005		October 27, 2009		July 1, 2010	
	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount
2013	3.85%	\$ 6,000	4.00%	21,000	4.00%	15,000
2014	3.85	6,000	4.00	21,000	4.00	15,000
2015	3.85	6,000	4.00	22,000	4.00	16,000
2016	3.85	6,000	4.00	22,000	4.00	16,000
2017		-	4.00	23,000	4.00	17,000
2018		-	4.00	23,000	4.00	17,000
2019		-	4.00	24,000	4.00	18,000
2020		-	4.00	24,000	4.00	19,000
Total		<u>\$ 24,000</u>		<u>180,000</u>		<u>133,000</u>

Year Ending June 30,	Revenue Bond		Interim Loan		Revenue Bond	
	Sewer		Sewer Design		Water	
	March 1, 2001		December 8, 2008		August 5, 2009	
	Interest Rate	Amount	Interest Rate	Amount	Interest Rate	Amount
2013	3.00%	\$ 20,000	0.00	243,500	3.00%	15,000
2014	3.00	21,000	-	-	3.00	15,000
2015	3.00	21,000	-	-	3.00	16,000
2016	3.00	22,000	-	-	3.00	16,000
2017	3.00	23,000	-	-	3.00	17,000
2018	3.00	24,000	-	-	3.00	17,000
2019	3.00	25,000	-	-	3.00	18,000
2020	3.00	26,000	-	-	3.00	18,000
2021	3.00	28,000	-	-	3.00	19,000
2022	3.00	29,000	-	-	3.00	19,000
2023		-	-	-	3.00	20,000
2024		-	-	-	3.00	21,000
2025		-	-	-	3.00	21,000
2026		-	-	-	3.00	22,000
2027		-	-	-	3.00	23,000
2028		-	-	-	3.00	24,000
2029		-	-	-	3.00	24,000
Total		<u>\$ 239,000</u>		<u>243,500</u>		<u>325,000</u>

See accompanying independent auditor's report

<u>General Obligation Note</u>		
<u>Bridge Improvement</u>		
<u>September 13, 2011</u>		
Interest		
<u>Rate</u>	<u>Amount</u>	<u>Total</u>
3.00%	17,000	59,000
3.00	17,000	59,000
3.00	17,000	61,000
	17,000	61,000
	-	40,000
	-	40,000
	-	42,000
	-	43,000
	<u>68,000</u>	<u>\$ 405,000</u>

<u>Revenue Bond</u>		
<u>Child Care Facility</u>		
<u>September 14, 2009</u>		
Interest		
<u>Rate</u>	<u>Amount</u>	<u>Total</u>
4.00%	358,500	637,000
	-	36,000
	-	37,000
	-	38,000
	-	40,000
	-	41,000
	-	43,000
	-	44,000
	-	47,000
	-	48,000
	-	20,000
	-	21,000
	-	21,000
	-	22,000
	-	23,000
	-	24,000
	-	24,000
	<u>358,500</u>	<u>\$ 1,166,000</u>

City of Wyoming

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

	<u>2012</u>
Property tax	\$ 168,748
Other city tax	42,302
Licenses and permits	4,186
Use of money and property	6,861
Intergovernmental	743,173
Special Assessments	34,282
Charges for service	9,617
Miscellaneous	<u>183,663</u>
Total	<u>\$ 1,192,832</u>
Disbursements:	
Operating:	
Public safety	\$ 42,187
Public works	352,075
Culture and recreation	217,555
General government	65,171
Debt service	56,075
Capital projects	<u>676,823</u>
Total	<u>\$ 1,409,886</u>

See accompanying independent auditor's report

City of Wyoming
 Schedule of Expenditures of Federal Awards
 Year ended June 30, 2012

Grantor/Program	CFDA Number	Agency Pass-through Number	Program Expenditures
U.S. Department of Housing and Urban Development Iowa Department of Economic Development Community Development Block Grant	14.228	09-CF-018	\$ 219,293
U.S. Department of Agriculture - Rural Housing Service Community Facilities Loans and Grants American Recovery and Reinvestment Act	10.766	97-02	352,218
U.S. Department of Agriculture - Rural Housing Service Community Facilities Loans and Grants American Recovery and Reinvestment Act	10.766	00-03	105,035
Federal Emergency Management Agency Iowa Homeland Security and Emergency Management Division	97.036	DR-1930-IA	3,840
		Total	<u>\$ 680,386</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 in 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 basic financial statements.

See accompanying independent auditor's report.



Alan W. Flick, CPA
Gina E. Trimble, CPA

819 First Street East
Independence, IA 50644
(319)334-4211
Fax (319)334-6454
rfsw.com

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

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Wyoming, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated October 23, 2012. 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 U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the City of Wyoming is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Wyoming's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of City of Wyoming's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Wyoming's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Wyoming's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in

Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-12 and II-C-12, to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-B-12 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wyoming's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2012 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.

City of Wyoming's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit City of Wyoming's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of City of Wyoming and other parties to whom 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.

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

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

RIDIHALGH, FUELLING, SNITKER, WEBER, & CO., P.C., CPA'S

October 23, 2012



Alan W. Flick, CPA
Gina E. Trimble, CPA

819 First Street East
Independence, IA 50644
(319)334-4211
Fax (319)334-6454
rfsw.com

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the Honorable Mayor and
Members of the City Council:

Compliance

We have audited City of Wyoming, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on City of Wyoming's major federal program for the year ended June 30, 2012. 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 grant agreements applicable to its major federal program is the responsibility of City of Wyoming's management. Our responsibility is to express an opinion on City of Wyoming's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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 OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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 City of Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Wyoming's compliance with those requirements.

In our opinion, City of Wyoming complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

The management of City of Wyoming is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to federal programs. In planning and performing our audit, we considered 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Wyoming's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of City of Wyoming and other parties to whom City of Wyoming may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

RIDIHALGH, FUELLING, SNITKER, WEBER, & CO., P.C., CPA'S

October 23, 2012

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2012

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

- (a) Unqualified opinions were 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 U.S. generally accepted accounting principles.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (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 disclosed.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 10.766 – Community Facilities Loans and Grants.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The City did not qualify as a low-risk auditee.

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2012

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

II-A-12 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible.

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

Response – We will consider this.

Conclusion – Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

II-B-12 Preparation Financial Statements - The City of Wyoming, Iowa does not employ an accounting staff with the technical expertise to prepare its financial statements (including footnotes disclosures) in conformity with accounting principles general accepted in the United States of America; therefore, it relies on its auditors to prepare such statements.

Recommendation – The City should conform with generally accepted accounting principles.

Response – The City feels that having the auditors draft the financial statements and notes is a tolerable situation. Internal financial statements are prepared monthly for reporting and decision making purposes. The requirements and form of the audited statements are different than the internal needs and change occasionally. Given the size of the organization, it is helpful to rely on the expertise of the auditors to monitor those requirements.

Conclusion – Response accepted.

II-C-12 Water & Sewer Meters – During the audit it came to our attention that a majority of the City’s water and sewer meters were located inside citizens’ residences and the City relied on the residents to accurately and honorably report monthly meter readings.

Recommendation – To ensure proper usage is being reported and revenue collected, the City should strengthen controls over meter reading and reporting. The meters should be in a location where City employees have physical access to read and report monthly usage or the meters can be read electronically from a remote location.

Response – Currently the City has implemented a strategy of converting the meters from their indoor location to an outdoor location when there is a change in residency of a property. We recognize the slowness of our current conversion process and the need to expedite the conversion of all meters to an outdoor location. The City will review its current process and viable options for expediting meter relocations.

Conclusion – Response accepted.

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2012

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

CFDA Number 14.228: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

Pass-through Agency Number: 09-CF-018

Federal Award Year: 2012

U.S. Department of Housing and Urban Development

Passed through the Iowa Department of Economic Development

CFDA Number 10.766: Community Facility Loans and Grants

Pass-through Agency Number: 97-02 / 00-03

Federal Award Year: 2012

U.S. Department of Agriculture Rural Housing Service – American Recovery and Reinvestment Act

CFDA Number 97.036: Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Pass-through Agency Number: DR-1930-IA

Federal Award Year: 2012

Federal Emergency Management Agency

Passed through the Iowa Homeland Security and Emergency Management Division

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

City of Wyoming

Schedule of Findings and Questioned Costs

Year ended June 30, 2012

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-12 Certified Budget – 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. Disbursements during the year ended June 30, 2012 did not exceed the amounts budgeted in any function.
- IV-B-12 Questionable Disbursements – We noted no questionable disbursements that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- IV-C-12 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-12 Business Transactions – There were no business transactions between the City and City officials or employees.
- IV-E-12 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.
- IV-F-12 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.

During the year the Council approved a transfer from the Capital Projects-Childcare Fund to the Enterprise-Childcare Fund that should not have been presented. The transfer of funds was from a bank savings account to a bank checking account all within the Enterprise Fund and not a fund to fund transfer. The transfer inappropriately moved funds out of the Capital Projects Fund to the Enterprise Fund.

Although minutes of City Council proceedings for a special session on February 1, 2012 were published, they were not published within fifteen days as required by Chapter 372.13(6) of the Code of Iowa.

Recommendation – The City should comply with Chapter 372.13(6) of the Code of Iowa and published minutes as required. The City should review the substance of transfers to be presented and approved.

Response – We will comply with the Code requirements for publishing minutes. The transfer was made in an attempt to reclassify the childcare project savings

account. This account was originally established in the capital projects fund and should have been established in the enterprise fund.

Conclusion – Response accepted.

IV-G-12 Deposits and Investments – We noted 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. However, we noted that the childcare center petty cash amount of \$50 was not listed on the City’s fund balances.

Recommendation – The City should add the petty cash account to its fund balances.

Response – We will do this.

Conclusion – Response accepted.

IV-H-12 Payment of General Obligation Bonds – Certain general obligation bonds were paid from the Local Option Sales Tax Fund. Chapter 384.4 of the Code of Iowa states, in part “Moneys pledged or available to service general obligation bonds, and received from sources other than property tax, must be deposited in the debt service fund.”

Recommendation – The City should transfer from the Local Option Sales Tax Fund to the Debt Service Fund for future funding contributions. Payment of the bonds should then be disbursed from the Debt Service Fund.

Response – We will transfer in the future as recommended.

Conclusion – Response accepted.

IV-I-12 Financial Condition – There were no funds with deficit balances.

City of Wyoming

Staff

This audit was performed by:

Gina E. Trimble, CPA, Manager
Jeremy P. Lockard, CPA, Staff
Dana J. Elliot, CPA, Staff
James Remington, Staff