

**CITY OF WYOMING, IOWA
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE PERIOD
JULY 1, 2022 THROUGH JUNE 30, 2023**

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Officials

Name	Title	Term Expires
Elected Officials		
Steve Agnitsch	Mayor	January, 2024
Craig Taylor	Council Member	January, 2024
Lee Scott	Council Member	January, 2026
Kyle Huston	Council Member / Mayor Pro Tem (current)	January, 2026
Kevin Leonard	Council Member	January, 2024
Steve Harms	Council Member	January, 2026
Appointed Officials		
Sheri Tjaden	City Clerk	Retired July, 2023
Tami Michaud	City Clerk	Indefinite
Richelle Dirks	City Treasurer	Indefinite
Lynch Dallas	City Attorney	Indefinite

Independent Accountant's Report on Applying Agreed-Upon Procedures —

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

We performed the procedures below which were established at Iowa Code Chapter 11.6, to provide oversight of Iowa cities. Accordingly, we have applied certain procedures to selected accounting records and related information of the City of Wyoming for the period July 1, 2022 through June 30, 2023, including procedures related to the City's compliance with certain Code of Iowa requirements identified below. The City of Wyoming's management, which agreed to the performance of the procedures performed, is responsible for compliance with these requirements and for the City's records.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The City of Wyoming's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report, in accordance with Chapter 11.6 of the Code of Iowa, recommendations pertaining to selected accounting records and related information of the City including the City's compliance with certain Code of Iowa requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We observed selected City Council meeting minutes for compliance with Chapters 21, 372.13(6) and 380 of the Code of Iowa.
2. We obtained an understanding of the City's internal controls to determine if proper control procedures are in place and incompatible duties, from a control standpoint, are not performed by the same employee.
3. We observed surety bond coverage for compliance with Chapter 64 of the Code of Iowa.
4. We obtained and observed the City Clerk's financial reports and selected bank reconciliations to determine whether the bank balances properly reconciled to the general ledger account balances, journal entries and monthly financial reports provided to the City Council.

5. We scanned City funds for consistency with the City Finance Committee's (CFC) recommended Uniform Chart of Accounts (COA) and to determine required funds and fund balances are properly maintained and accurately accounted for.
6. We observed the City's fiscal year 2023 Annual Financial Report to determine whether it was completed and accurately reflects the City's financial information.
7. The City had no investments.
8. We scanned depository resolutions, the City's investment policy and reporting of unclaimed property to the State of Iowa to determine compliance with Chapters 12C.2, 12B.10B and 556.1(12) of the Code of Iowa.
9. We scanned debt, including general obligation and revenue bonds/notes, and related transactions for proper authorization and compliance with Chapters 75, 384 and 403.9 of the Code of Iowa and to determine whether the debt and related proceeds and repayments were properly accounted for.
10. We observed the City's TIF debt certification forms filed with the County Auditor, including requests for collection of reduced TIF amounts and to decertify certain TIF obligations, as applicable, for proper support and compliance with Chapter 403.19(6) of the Code of Iowa.
11. We traced selected receipts for accurate accounting and consistency with the recommended COA.
12. The City has no voter-approved levies.
13. We traced selected disbursements to proper approval, adequate supporting documentation, accurate accounting and consistency with the recommended COA and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa.
14. We traced transfers between funds for proper authorization and accurate accounting and to determine whether transfers were proper.
15. We traced selected payroll and related transactions to proper authorization and accurate accounting and determined whether payroll was proper.
16. We observed the annual certified budget for proper authorization, certification and timely amendment.

Based on the performance of the procedures described above, we identified various findings and recommendations for the City. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, no exceptions were noted during the performance of the specific procedures listed above.

To the Honorable Mayor and
Members of the City Council
City of Wyoming, Iowa
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We were engaged by the City of Wyoming's management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on specific accounting records and related information of the City, including compliance with specific Code of Iowa requirements. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Wyoming and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to report, in accordance with Chapter 11.6 of the Code of Iowa, certain agreed-upon procedures and the resulting findings and recommendations pertaining to selected accounting records and related information of the City, including the City's compliance with certain Code of Iowa requirements. This report is not suitable for any other purpose.

HOGAN - HANSEN

HOGAN - HANSEN

Waterloo, Iowa
January 4, 2024
Reissued January 29, 2024.

Detailed Findings and Recommendations

Detailed Findings and Recommendations

For the Period July 1, 2022 through June 30, 2023

- (A) **Segregation of Duties** - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Generally, one individual has control over each of the following areas for the City:

Cash - handling, reconciling and recording.

- (1) Investing - record keeping, investing, custody of investments and reconciling earnings.
- (2) Receipts - opening mail, collecting, depositing, journalizing, reconciling and posting.
- (3) Disbursements - purchasing, invoice processing, check writing, mailing, reconciling and recording.
- (4) Payroll - recordkeeping, preparing and distributing.
- (5) Utilities - billing, collecting, depositing, posting, entering rates and maintaining accounts receivable and write-off records.
- (6) Financial reporting - preparing and reconciling.
- (7) Journal entries - preparing and recording.
- (8) Debt - record keeping, compliance and payment processing.

Recommendation - We realize segregation of duties is difficult with a limited number of employees. The City does have elected officials who review and approve many documents such as bank reconciliations, journal entries, financial statements and other reports for the City Council. This is a very good compensating control. The City should continue to review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

- (B) **Utility Rates** - Chapter 388.6 of the Code of Iowa states, "A city utility or a combined utility system may not provide use or service at a discriminatory rate, except to the city or its agencies..." The City charged a reduced rate to several locations and nonprofit organizations that they deem to serve public purposes. In May, 2023, the City Council passed a resolution to end this practice and now charges normal rates to these users.

Recommendation - The City should charge all utility customers for service in accordance with Chapter 388.6 of the Code of Iowa.

Detailed Findings and Recommendations

For the Period July 1, 2022 through June 30, 2023

- (C) **Long-Term Debt** - The City should record debt proceeds in the period in which they were received. The City was issued \$334,000 of debt proceeds during the year ended June 30, 2022. However, the City recorded debt proceeds in the amount of \$328,985 for the year ended June 30, 2022. The City then attempted to correct the understatement of debt proceeds with a journal entry to record the additional \$5,015 of debt proceeds, but this journal entry was posted to the year ended June 30, 2023. The City did not receive any additional debt proceeds during the year ended June 30, 2023; therefore, debt proceeds were overstated by \$5,015.

Recommendation - The City should review its long-term debt activity to ensure all debt proceeds are accurately presented.

- (D) **Revenue** - Recorded receipts should reconcile to deposits in the bank each month. Upon review of the receipts and deposits for June, 2023, it was determined that June receipts exceeded deposits per the bank by \$1,233. Of this amount, \$793 can be explained by deposits in transit that had not yet cleared the bank by June 30, 2023. However, the City was not aware of a reason for the remaining variance of \$440.

Recommendation - The City should reconcile its receipts and deposits each month to ensure that there are no undeposited funds and/or unrecorded receipts.