



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

NEWS RELEASE

FOR RELEASE

February 14, 2011

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released an audit report on the Pocahontas County Solid Waste Commission.

The Commission had total receipts of \$302,939 during the year ended June 30, 2010, an 18.0 percent increase over the prior year. The receipts included city assessments of \$142,430, county assessments of \$74,622 and gate and recycling fees of \$46,009. The increase in receipts is primarily due to an increase in member city and county assessments and receipt of a grant from the Iowa Department of Natural Resources.

Disbursements for the year totaled \$312,076, a 1.6 percent decrease from the prior year, and included \$73,979 for salaries and benefits, \$99,016 for landfill disposal fees and \$32,735 for capital outlay.

A copy of the audit report is available for review at the Pocahontas County Solid Waste Commission's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/1014-2319-B00F.pdf>.

###



**POCAHONTAS COUNTY SOLID WASTE COMMISSION**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENT AND  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS**

**JUNE 30, 2010**

## Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5
Management's Discussion and Analysis	6-8
	<u>Exhibit</u>
Financial Statement:	
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets	A 9
Notes to Financial Statement	10-13
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of a Financial Statement Performed in Accordance with <u>Government Auditing Standards</u>	15-16
Schedule of Findings	17
Staff	18

**Pocahontas County Solid Waste Commission**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Jack DeWolf	Chair	Pocahontas County
Garland Smith	Member	City of Havelock
Bob Donahoo	Member	City of Pocahontas
Shane Braby	Member	City of Rolfe
Don Schossow	Member	City of Laurens
JM Winger	Member	City of Plover
Dennis Hallberg	Member	City of Palmer
Richard Kollbaum	Member	City of Varina
Paul Beneke	Member	Pocahontas County
Dean Beneke	Manager	
Jeffrey Johnson	Treasurer	

**Pocahontas County Solid Waste Commission**



OFFICE OF AUDITOR OF STATE  
STATE OF IOWA

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

Independent Auditor's Report

To the Members of the Pocahontas County  
Solid Waste Commission:

We have audited the accompanying financial statement of the Pocahontas County Solid Waste Commission as of and for the year ended June 30, 2010. This financial statement is the responsibility of the Commission's management. Our responsibility is to express an opinion on this financial statement based on our audit.

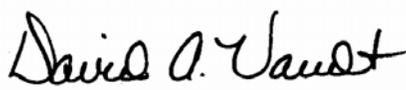
We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As described in Note 1, this financial statement is 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 statement referred to above presents fairly, in all material respects, the cash basis financial position of the Pocahontas County Solid Waste Commission as of June 30, 2010, and the changes in its 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 report dated February 1, 2011 on our consideration of the Pocahontas County Solid Waste Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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 the 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.

Management's Discussion and Analysis on pages 6 through 8 is not a required part of the financial statement, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

February 1, 2011

---

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

The Pocahontas County Solid Waste Commission (PCSWC) provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities of the PCSWC is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the PCSWC's financial statement, which follows.

### **2010 FINANCIAL HIGHLIGHTS**

- ◆ Operating receipts increased 12.0%, or approximately \$28,300, from fiscal year 2009 to fiscal year 2010.
- ◆ Operating disbursements increased 9.4%, or approximately \$24,000, from fiscal year 2009 to fiscal year 2010.
- ◆ Cash basis net assets decreased 1.9%, or approximately \$9,100, from June 30, 2009 to June 30, 2010.

### **USING THIS ANNUAL REPORT**

The PCSWC has elected to present its financial statement on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than U.S. generally accepted accounting principles. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the cash basis of accounting, revenues and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in this financial statement. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis are intended to serve as an introduction to the financial statement. The annual report consists of the financial statement and other information, as follows:

- Management's Discussion and Analysis introduces the financial statement and provides an analytical overview of the PCSWC's financial activities.
- The Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets presents information on the PCSWC's operating receipts and disbursements, non-operating receipts and disbursements and whether the PCSWC's cash basis financial position has improved or deteriorated as a result of the year's activities.
- The Notes to Financial Statement provide additional information essential to a full understanding of the data provided in the financial statement.

## FINANCIAL ANALYSIS OF THE COMMISSION

### *Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets*

The purpose of the statement is to present the receipts received by the PCSWC and the disbursements paid by the PCSWC, both operating and non-operating. The statement also presents a fiscal snapshot of the PCSWC's cash balance at year end. Over time, readers of the financial statement are able to determine the PCSWC's cash basis financial position by analyzing the increase and decrease in cash basis net assets.

Operating receipts are received for gate fees from accepting solid waste and assessments from the members of the PCSWC. Operating disbursements are disbursements paid to operate the transfer station. Non-operating receipts and disbursements are for interest on investments and capital outlay. A summary of cash receipts, disbursements and changes in cash basis net assets for the years ended June 30, 2010 and June 30, 2009 is presented below:

Changes in Cash Basis Net Assets		
	Year ended June 30,	
	2010	2009
Operating receipts:		
City assessments	\$ 142,430	121,365
County assessments	74,622	67,853
Gate and recycling fees	46,009	44,240
Miscellaneous	-	1,314
Total operating receipts	<u>263,061</u>	<u>234,772</u>
Operating disbursements:		
Salaries and benefits	73,979	69,298
Operator and recycling contracts	128,317	108,555
Other	77,045	77,554
Total operating disbursements	<u>279,341</u>	<u>255,407</u>
Deficiency of operating receipts under operating disbursements	<u>(16,280)</u>	<u>(20,635)</u>
Non-operating receipts (disbursements):		
Interest on investments	11,078	12,957
Sale of capital asset	-	9,050
Iowa Department of Natural Resources grant	28,800	-
Capital outlay	<u>(32,735)</u>	<u>(61,750)</u>
Net non-operating receipts (disbursements)	<u>7,143</u>	<u>(39,743)</u>
Net change in cash basis net assets	(9,137)	(60,378)
Cash basis net assets beginning of year	<u>469,561</u>	<u>529,939</u>
Cash basis net assets end of year	<u>\$ 460,424</u>	<u>469,561</u>

In fiscal year 2010, operating receipts increased \$28,289, or 12.0%, from fiscal year 2009. The increase was primarily a result of an increase in the assessments to the participating cities and the County. In fiscal year 2010, operating disbursements increased \$23,934, or 9.4%, over fiscal year 2009. The increase was primarily due to an increase in the disposal contract rates and increased tonnage for landfill disposal.

The smaller portion of the PCSWC's cash basis net assets (1.7%) is restricted for closure care. The remaining portion (98.3%) is the unrestricted cash basis net assets which is available to meet the PCSWC's obligations as they become due. The PCSWC has historically designated a portion of the unrestricted net assets for the purpose of replacing capital assets as the need arises. At June 30, 2010, the PCSWC's designated funds totaled \$336,221.

### **LONG-TERM DEBT**

At June 30, 2010, the PCSWC had no long-term debt outstanding.

### **ECONOMIC FACTORS**

PCSWC's cash basis financial position declined during the current fiscal year. The current condition of the economy in the state continues to be a concern for PCSWC officials. Some of the realities that may potentially become challenges for the PCSWC to meet are:

- ◆ Facilities require constant maintenance and upkeep.
- ◆ Technology continues to expand and current technology becomes outdated, presenting an on going challenge to maintain up to date technology at a reasonable cost.

The PCSWC anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the PCSWC's ability to react to unknown issues.

### **CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers and creditors with a general overview of the PCSWC's finances and to show the PCSWC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact PCSWC by mail at P.O. Box 98, Pocahontas, Iowa 50574, by telephone at 712-335-3301 or by e-mail at [jjohnson@evertek.net](mailto:jjohnson@evertek.net).

Pocahontas County Solid Waste Commission

Statement of Cash Receipts, Disbursements and  
Changes in Cash Basis Net Assets

As of and for the year ended June 30, 2010

Operating receipts:	
City assessments	\$ 142,430
County assessments	74,622
Gate and recycling fees	46,009
Total operating receipts	<u>263,061</u>
Operating disbursements:	
Salaries and benefits	73,979
Landfill disposal fees	99,016
Recycling	29,301
Insurance	17,124
Tonnage fees remitted to Landfill Operator	14,293
Legal, accounting and auditing	15,384
Utilities and telephone	4,097
Advertising and supplies	1,968
Truck expense	11,770
Repair and maintenance	9,597
Miscellaneous	2,812
Total operating disbursements	<u>279,341</u>
Deficiency of operating receipts under operating disbursements	<u>(16,280)</u>
Non-operating receipts (disbursements):	
Interest on investments	11,078
Iowa Department of Natural Resources grant	28,800
Capital outlay	(32,735)
Net non-operating receipts (disbursements)	<u>7,143</u>
Change in cash basis net assets	(9,137)
Cash basis net assets beginning of year	<u>469,561</u>
Cash basis net assets end of year	<u>\$ 460,424</u>
<b>Cash Basis Net Assets</b>	
Restricted for closure care	\$ 8,000
Unrestricted	452,424
Total cash basis net assets	<u>\$ 460,424</u>

See notes to financial statement.

Pocahontas County Solid Waste Commission

Notes to Financial Statement

June 30, 2010

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

The Pocahontas County Solid Waste Commission was formed in 1974 pursuant to the provisions of Chapter 28E of the Code of Iowa. The Commission was established for the purpose of developing, operating and maintaining sanitary disposal and recycling facilities for the units of government that are parties to the agreement. The participating units of government include the cities of Havelock, Laurens, Palmer, Plover, Rolfe, Varina and Pocahontas and Pocahontas County.

In performing its duties, the Commission may cooperate, contract with and accept and expend funds from federal, state or local agencies, public or semi-public, private individuals or corporations, and may carry out such cooperative undertakings and contracts as provided by law. The Commission also is empowered to fix, establish and maintain rates and charges to produce revenues to pay the necessary costs of operation and maintenance. Currently, the Commission contracts for landfill operations.

A. Reporting Entity

For financial reporting purposes, the Pocahontas County Solid Waste Commission has included all funds, organizations, agencies, boards, commissions and authorities. The Commission 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 Commission are such that exclusion would cause the Commission's financial statement 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 Commission 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 Commission. The Commission has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Commission are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise 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 an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

C. Basis of Accounting

The Commission maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Commission is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items, including the estimated payables for closure care. Accordingly, the financial statement does not present the financial position and results of operations of the Commission in accordance with U.S. generally accepted accounting principles.

D. Restricted Cash Basis Net Assets

Funds set aside for payment of closure care are classified as restricted.

**(2) Cash and Investments**

The Commission's deposits in banks at June 30, 2010 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 Commission 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 Commission; 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 Commission had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

**(3) Pension and Retirement Benefits**

The Commission 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 4.30% of their annual covered salary and the Commission is required to contribute 6.65% of annual covered payroll. Contribution requirements are established by state statute. The Commission's contributions to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$2,978, \$3,006 and \$2,983, respectively, equal to the required contribution for each year.

**(4) Compensated Absences**

Commission employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Commission until used or paid. The Commission's liability for earned vacation was approximately \$1,000 at June 30, 2010. This liability has been computed based on rates of pay in effect at June 30, 2010.

**(5) Risk Management**

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

**(6) Solid Waste Disposal Contract**

The Commission entered into a contract with the City of Spencer (Landfill Operator) for the disposal of all solid waste which has been first collected at the Commission's transfer station. Under the contract, the Landfill Operator accepts the solid waste for disposal according to applicable rules, laws and regulations. During the year ended June 30, 2010, the Landfill Operator was paid \$99,016 under this contract and an additional \$14,293 in tonnage fees mandated by the Iowa Department of Natural Resources.

**(7) Recyclable Materials Disposal Contract**

The Commission entered into a contract for the disposal of recyclable material. Under the contract, the contractor accepts and disposes of recyclable material collected at drop-boxes and recyclable material delivered to them. During the year ended June 30, 2010, the contractor was paid \$20,761 under this contract.

**(8) Appliance Recycling Contract**

The Commission entered into a contract for the purpose of recycling appliances. During the year ended June 30, 2010, the contractor was paid \$1,860 under this contract.

**(9) Transfer Station Closure Care**

To comply with state regulations, the Commission is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces that have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles that will remain on site, including the rinsing of all surfaces that have come in contact with solid waste, and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the Commission is required to maintain a closure account as financial assurance for the closure care costs. The effect of the state requirement is to commit landfill owners to perform certain closing functions as a condition for the right to operate the transfer station in the current period.

The total closure care costs for the Commission as of June 30, 2010 have been estimated at \$7,000. Assets of \$8,000 are restricted for these purposes and are reported as restricted cash basis net assets in the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets.

**(10) Designated Balance**

The Commission maintains \$336,221 as a designated balance in a separate ledger account identified for specific types of equipment.

**(11) Other Postemployment Benefits (OPEB)**

Plan Description - The Commission operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and retirees and their spouses. There are 2 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 Wellmark. Retirees under age 65 would pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy - The contribution requirements of plan members are established and may be amended by the Commission. The Commission currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Commission and plan members are \$552 for single coverage and \$1,235 for family coverage. The same monthly premiums would apply to retirees. For the year ended June 30, 2010, the Commission contributed \$12,874 to the plan and plan members contributed \$2,198 to the plan.

**Pocahontas County Solid Waste Commission**



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

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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

To the Members of the Pocahontas County  
Solid Waste Commission:

We have audited the accompanying financial statement of the Pocahontas County Solid Waste Commission as of and for the year ended June 30, 2010, and have issued our report thereon dated February 1, 2011. Our report expressed an unqualified opinion on the financial statement which was 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

In planning and performing our audit, we considered the Pocahontas County Solid Waste Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Pocahontas County Solid Waste Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pocahontas County Solid Waste Commission'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, we identified a deficiency in internal control over financial reporting we consider to be a material weakness.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Commission's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item (A) to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pocahontas County Solid Waste Commission's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Commission. 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.

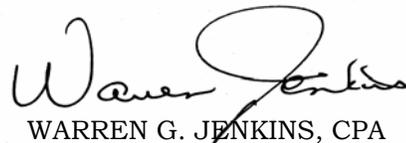
The Pocahontas County Solid Waste Commission's response to the finding identified in our audit is described in the accompanying Schedule of Findings. While we have expressed our conclusion on the Commission's response, we did not audit the Commission's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the members and customers of the Pocahontas County Solid Waste Commission and other parties to whom the Commission may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Pocahontas County Solid Waste Commission during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

February 1, 2011

Pocahontas County Solid Waste Commission

Schedule of Findings

Year ended June 30, 2010

**Findings Related to the Financial Statement:**

**INTERNAL CONTROL DEFICIENCY:**

(A) Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual may have control over the following areas for the Commission:

- (1) Receipts – collecting, depositing, posting and reconciling.
- (2) Bank reconciliations – preparing, reconciling and reviewing.

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

Response – Bank accounts are reconciled by staff. However, the Treasurer reviews and approves all bank reconciliations in the process of preparing the monthly financials for the Commission.

A previous auditor from your office suggested that we start to prepare a cash receipt analysis from one or two months and prepare a detail of all tickets and compare them to the total receipts. It was suggested that the Commission pick the months in which this is to be done. We have done this and have supplied this information to you on an annual basis.

Two years ago your auditors suggested that the accountant record the receipts collected in the mail and match those with actual deposits on a monthly basis. We are now doing that on a monthly basis.

Effective February 1, 2011, the Commission has decided not to allow any charging of excess solid waste fees. This should significantly reduce the accounts receivable billings and handling of cash.

Conclusion – Response acknowledged. Bank reconciliations should be reviewed by an individual who does not handle or record receipts.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**Other Findings Related to Required Statutory Reporting:**

(1) Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

Pocahontas County Solid Waste Management Association

Schedule of Findings

Year ended June 30, 2005

- (2) Travel Expense – No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.
- (3) Commission Minutes – No transactions were found that we believe should have been approved in the Commission minutes but were not.
- (4) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Commission's investment policy were noted.

---

Pocahontas County Solid Waste Commission

Staff

This audit was performed by:

Marlys Gaston, CPA, Manager  
Reza Sepehri, Staff Auditor

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

Andrew E. Nielsen, CPA  
Deputy Auditor of State