



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

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**NEWS RELEASE**

FOR RELEASE February 28, 2003

Contact: Andy Nielsen  
515/281-5515

The Office of Auditor of State today released an audit report on the Jones County Solid Waste Management Commission for the years ended June 30, 2002 and 2001.

The Commission's revenues totaled \$635,748 and \$573,577 for the years ended June 30, 2002 and June 30, 2001, respectively. For the year ended June 30, 2002, revenues included assessments of \$50,371, gate fees of \$483,860 and interest income of \$90,366. For the year ended June 30, 2001, revenues included assessments of \$50,055, gate fees of \$430,137 and interest income of \$86,691.

Expenses totaled \$348,556 and \$266,699 for the years ended June 30, 2002 and June 30, 2001, respectively. For the year ended June 30, 2002, expenses included \$96,529 for salaries and benefits and \$54,819 for closure and postclosure care costs. For the year ended June 30, 2001, expenses included \$89,992 for salaries and benefits and \$37,605 for closure and postclosure care costs

This report contains a recommendation to Commission officials to improve controls over receipts, including account billing, collecting, depositing, posting and reconciling by segregating accounting duties to the extent possible. The Commission has responded favorably to this recommendation.

A copy of the audit report is available for review in the office of the Auditor of State and at the Jones County Solid Waste Management Commission.

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**JONES COUNTY SOLID WASTE MANAGEMENT COMMISSION**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS  
SCHEDULE OF FINDINGS**

**JUNE 30, 2002 AND 2001**

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## **Jones County Solid Waste Management Commission**

### **Officials**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Stuart Ireland	Chair	City of Wyoming
George Zirkelbach	Vice-Chair	City of Olin
City of Anamosa	Member	City of Anamosa
Larry Stoneking	Member	City of Monticello
Dan Lambertsen	Member	Jones County
City of Center Junction	Member	City of Center Junction
City of Martelle	Member	City of Martelle
Ben Losh	Member	City of Morley
City of Onslow	Member	City of Onslow
Russ Krejci	Member	City of Oxford Junction
John Fayrum	Member	Anamosa State Penitentiary
Diane Casper	Director	

**Jones County Solid Waste Management Commission**



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Independent Auditor's Report

To the Members of the Jones County Solid  
Waste Management Commission:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of the Jones County Solid Waste Management Commission, as of and for the years ended June 30, 2002 and 2001. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the property and equipment and related provision for depreciation which should be included in order to conform with U.S. generally accepted accounting principles. The amount that should be recorded for property and equipment is not known.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Jones County Solid Waste Management Commission at June 30, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2002 on our consideration of the Jones County Solid Waste Management Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

November 25, 2002

**Jones County Solid Waste Management Commission**



## **Financial Statements**

## Jones County Solid Waste Management Commission

## Balance Sheet

June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 171,460	115,600
Certificates of deposit	1,215,992	1,012,289
Accounts receivable	55,482	62,261
Total current assets	<u>1,442,934</u>	<u>1,190,150</u>
Restricted assets:		
Cash (note 5)	7,319	32,207
Certificates of deposit (note 4)	847,403	728,135
Total restricted assets	<u>854,722</u>	<u>760,342</u>
<b>Total assets</b>	<u>\$ 2,297,656</u>	<u>1,950,492</u>
<b>Liabilities and Fund Equity</b>		
Current liabilities:		
Accounts payable	\$ 21,380	16,227
Non-current liabilities:		
Estimated liability for landfill closure and postclosure care costs (note 4)	767,984	713,165
Total liabilities	<u>789,364</u>	<u>729,392</u>
Fund equity:		
Retained earnings:		
Reserved for:		
Closure and postclosure care (note 4)	847,403	728,135
Tonnage fees retained (note 5)	7,319	32,207
Unreserved	653,570	460,758
Total fund equity	<u>1,508,292</u>	<u>1,221,100</u>
<b>Total liabilities and fund equity</b>	<u>\$ 2,297,656</u>	<u>1,950,492</u>

See notes to financial statements.

Jones County Solid Waste Management Commission  
Statement of Revenues, Expenses and Changes in Retained Earnings  
Years ended June 30, 2002 and 2001

	2002	2001
Operating revenues:		
Assessments	\$ 50,371	50,055
Gate fees	483,860	430,137
East Central Iowa Council of Governments grant	9,628	6,181
Other operating revenues	1,523	513
Total operating revenues	<u>545,382</u>	<u>486,886</u>
Operating expenses:		
Salaries and benefits	96,529	89,992
Utilities	2,022	2,335
Remittances to Iowa Department of Natural Resources for tonnage fees	19,819	18,024
Engineering services	8,630	6,863
Equipment maintenance and repair	30,210	5,965
Insurance	8,685	7,165
Auditing, consulting and legal	8,565	8,122
Road rock	12,029	5,912
Fuel	5,166	5,807
Tire disposal	16,623	20,226
Land	19,500	-
Leachate hauling and treatment	18,431	19,426
Leachate control system	685	475
Earthmoving	7,500	11,995
Office supplies and operations	3,178	2,519
Toxic clean-up	696	128
Travel and training	2,982	1,997
Household hazardous waste disposal	6,965	4,603
Recycling	10,723	5,020
White goods disposal	14,220	8,723
Septic system	67	2,877
Miscellaneous	512	920
Closure and postclosure care costs	54,819	37,605
Total operating expenses	<u>348,556</u>	<u>266,699</u>
Operating income	196,826	220,187
Non-operating revenues:		
Interest income	90,366	86,691
Net income	287,192	306,878
Retained earnings beginning of year	1,221,100	914,222
Retained earnings end of year	<u>\$ 1,508,292</u>	<u>1,221,100</u>

See notes to financial statements.

**Exhibit C**

## Jones County Solid Waste Management Commission

## Statement of Cash Flows

Years ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Cash received from assessments	\$ 50,371	50,055
Cash received from gate fees	490,639	405,869
Cash payments to suppliers for goods and services	(192,055)	(136,845)
Cash payments to employees for services	(96,529)	(89,992)
Other operating revenues	11,151	6,694
Net cash provided by operating activities	<u>263,577</u>	<u>235,781</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(317,015)	(162,522)
Interest received	90,366	86,691
Net cash used for investment activities	<u>(226,649)</u>	<u>(75,831)</u>
Net increase in cash and cash equivalents	36,928	159,950
Cash and cash equivalents at beginning of year	<u>357,408</u>	<u>197,458</u>
Cash and cash equivalents at end of year	<u>\$ 394,336</u>	<u>357,408</u>

Jones County Solid Waste Management Commission

Statement of Cash Flows

Years ended June 30, 2002 and 2001

	2002	2001
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 196,826	220,187
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Closure and postclosure costs	54,819	37,605
<b>Changes in assets and liabilities:</b>		
(Increase) decrease in accounts receivable	6,779	(24,268)
Increase in accounts payable	5,153	2,257
Total adjustments	66,751	15,594
Net cash provided by operating activities	\$ 263,577	235,781
<b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combining Balance Sheet:</b>		
<b>Current assets:</b>		
Cash	\$ 171,460	115,600
Certificates of deposit	1,215,992	1,012,289
<b>Restricted assets:</b>		
Cash	7,319	32,207
Certificates of deposit	847,403	728,135
	2,242,174	1,888,231
<b>Less items not meeting the definition of cash equivalent:</b>		
Certificates of deposit	1,847,838	1,530,823
Cash and cash equivalents at year end	\$ 394,336	357,408

See notes to financial statements.

Jones County Solid Waste Management Commission

Notes to Financial Statement

June 30, 2002

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

The Jones County Solid Waste Management Commission was formed in 1972 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to operate and maintain solid waste facilities in Jones County for use by all of the residents of the County.

The governing body of the Commission is composed of one representative from each of the nine member cities, the Anamosa State Penitentiary and Jones County. The member cities are: Anamosa, Center Junction, Olin, Oxford Junction, Martelle, Monticello, Morley, Onslow, and Wyoming. The Commissioners are appointed by the participating political subdivisions and each member has one vote for each one thousand population or fraction thereof, residing in the governmental jurisdiction he represents.

A. Reporting Entity

For financial reporting purposes, Jones County Solid Waste Management 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. Fund Accounting

The accounts of Jones County Solid Waste Management Commission are organized as an enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Measurement Focus

Enterprise Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheet. The reported fund equity, net total assets, is reported as retained earnings. The operating statements present increases (revenue) and decreases (expenses) in net total assets.

In reporting the financial activity of its enterprise fund, the Commission applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Except for the omission of property and equipment and related provision for depreciation, the accompanying financial statements have been prepared on the accrual basis of accounting in conformity with standards set forth by the Governmental Accounting Standards Board.

Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash Equivalents - The Agency considers all short-term cash investments with an original maturity of three months or less to be cash equivalents. Cash investments not meeting the definition of cash equivalents at June 30, 2002 included certificates of deposit of \$1,847,838.

Restricted Assets - Funds set aside for payment of closure and postclosure care costs and tonnage fees retained are classified as restricted.

**(2) Deposits and Cash**

The Commission's deposits at June 30, 2002 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 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 Boards Statement No. 3.

**(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 3.70% of their annual salary and the Commission is required to contribute 5.75% of annual payroll. Contribution requirements are established by state statute. The Commission's contribution to IPERS for the years ended June 30, 2002, 2001 and 2000 were \$3,750, \$3,729, and \$3,598, respectively, equal to the required contributions for each year.

**(4) Closure and Post Closure Care Costs**

To comply with federal and state regulations, the Commission is required to complete a monitoring system plan and a closure/post-closure plan to provide funding necessary to effect closure and post-closure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty year care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and post-closure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18, requires landfill owners to estimate total landfill closure and post-closure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs would consist of four components: (1) the cost of equipment and facilities used in post-closure monitoring care, (2) the cost of final cover material and labor, (3) the cost of monitoring and landfill during the post-closure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Jones County Solid Waste Management Commission have been estimated to be \$166,611 for closure and \$1,157,500 for post-closure. These amounts are based on what it would cost to perform all closure and post-closure care during the year ended June 30, 2002. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.



The Jones County Solid Waste Management Commission began accumulating resources to fund the closure and post-closure care costs and has designated certificates of deposit for these purposes. Following are the amounts designated for closure and post-closure care costs at June 30, 2002:

	<u>Closure/Post-Closure</u>
Balance of funds held at July 1, 2001	\$ 728,135
Current year deposits	<u>119,268</u>
Balance of funds held at June 30, 2002	<u>\$ 847,403</u>

For the year ended June 30, 2002, the costs to be assured for closure and post-closure care are \$1,324,111 and the portion of the liability that has been recognized is \$767,984. This liability represents the cumulative amount reported to date based on a remaining life of 12 ½ years. The Commission has a 44 year lease agreement with Jones County for the landfill which expires January 1, 2045. A provision for the above liability has been made on the Commission's balance sheet as of June 30, 2002. The balance of funds held at June 30, 2002, totaling \$847,403, are reported as restricted assets on the balance sheet.

**(5) Solid Waste Tonnage Fees Retained**

Chapter 455B.310 of the Code of Iowa establishes a tonnage fee of four dollars and twenty-five cents per ton of solid waste. The landfill operator shall retain ninety-five cents of the tonnage fee to be used as described in the following paragraph and can retain an additional twenty-five cents of the tonnage fee as described below if an updated comprehensive plan has been approved for the Commission. The remainder of the tonnage fee is remitted to the Iowa Department of Natural Resources on a quarterly basis.

The Commission has established two accounts for restricting and using those portions of solid waste tonnage fees retained by the Commission in accordance with Chapter 455B.310 of the Code of Iowa. As required by the Code of Iowa, fifty cents per ton of the solid waste tonnage fee may be retained but must be used for the following: (1) development and implementation of an approved comprehensive plan, (2) development of a closure or postclosure cost plan, (3) development of a plan for the control and treatment of leachate which may include a facility plan or detailed plans and specifications, and (4) preparation of a financial plan. Forty-five cents per ton of the tonnage fee shall be disbursed to a city, county, or public agency using the sanitary disposal project for the purpose of implementation of waste volume reduction and recycling required by the Commission's approved comprehensive plan. The fees retained may also be used for other environmental protection and environmental compliance activities.

An updated comprehensive plan was approved by the Iowa Department of Natural Resources allowing the Commission to retain an additional thirty-five cents per ton of the tonnage fee. Thirty-five cents per ton of the tonnage fee shall be used for waste reduction, recycling, or small business pollution prevention purposes.

At June 30, 2002, the unspent amounts retained by the Commission and restricted for the required specific purposes totaled \$7,319.

**(6) Risk Management**

The Commission 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. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Commission assumes liability for any deductibles and claims in excess of coverage limitations.

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

**Jones County Solid Waste Management Commission**



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

To the Members of the Jones County Solid  
Waste Management Commission

We have audited the general purpose financial statements of the Jones County Solid Waste Management Commission as of and for the year ended June 30, 2002, and have issued our report thereon dated November 25, 2002. Our report expressed a qualified opinion on the financial statements due to the omission of property and equipment and related provisions for depreciation, which should be included in order to conform with U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jones County Solid Waste Management Commission's general purpose financial statements are 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 that are required to be reported under Government Auditing Standards. However, we noted an immaterial instance of non-compliance that is described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements 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. Prior year statutory comments have been resolved except for item (5).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jones County Solid Waste Management Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Jones County Solid Waste Management Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement. The reportable condition is described in the accompanying Schedule of Findings.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition (A) described above is a material weakness. Prior year reportable conditions have been resolved except for item (A).

This report, a public record by law, is intended solely for the information and use of the members and customers of the Jones County Solid Waste Management 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 Jones County Solid Waste Management 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. Identifying

WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

November 25, 2002

Jones County Solid Waste Management Commission

Schedule of Findings

Year ended June 30, 2002

**Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**REPORTABLE CONDITION:**

- (A) Segregation of Duties - During our review of the internal control activities, the existing procedures are evaluated in order to determine that incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and therefore maximizes the accuracy of the Commission's financial statements. Generally, one individual has control over receipts, including account billing, collecting, depositing, posting and reconciling, without compensating controls.

Recommendation - We realize that with a limited number of employees, segregation of duties is difficult. However, the operating procedures should be reviewed to obtain the maximum internal control possible under the circumstances. Current personnel should be utilized to provide additional control through review of financial transactions and reconciliations. Such reviews should be performed by independent persons to the extent possible, and should be evidenced by initials or signature of the reviewer and the date of the review.

Response -We will review our operating procedures to provide more checks and balances in our internal control.

Conclusion - Response accepted.

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

- (1) Official Depositories -A resolution naming official depositories has been adopted by the Commission. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2002.
- (2) Questionable Disbursements - No disbursements that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (3) Travel Expense - No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.
- (4) Commission Minutes - No transactions were found that we believe should have been approved in the Commission minutes but were not.
- (5) Deposits and Investments - The interest rate on one time certificate of deposit did not meet the minimum rate of interest set by the State Rate Setting Committee.

Jones County Solid Waste Management Commission

Schedule of Findings

Year ended June 30, 2002

Recommendation - Public funds time certificates of deposit, when renewed, shall be renewed at a rate of interest which conforms with current rates for public funds on date of renewal. The Commission should seek reimbursement of the additional interest due on this certificate of deposit. In addition, the Commission should be aware of the current allowable rates to insure that at least the minimum allowable rate is received for all investments.

Response - This certificate has since matured and the deposit withdrawn from the bank in question. We will contact the bank to see about reimbursement of the additional interest due on this certificate of deposit. We will review our records to be sure we are getting at least the minimum rates for all investments.

Conclusion - Response accepted.

(6) Solid Waste Fees Retainage - During the year ended June 30, 2002, the Commission used or retained the solid waste fees in accordance with Chapter 455B.310(2) of the Code of Iowa.

(7) Financial Assurance - The Commission has demonstrated financial assurance for closure and postclosure care costs by establishing a reserved retained earnings balance as provided in Chapter 111.6(9) of the Iowa Administrative Code. The calculation is made as follows:

Total estimated costs for closure and postclosure care costs at June 30, 2002	\$ 1,324,111
Less: Balance of funds held in the local dedicated fund at June 30, 2001	<u>(728,135)</u>
	595,976
Divided by the number of years remaining in the pay-in-period	÷ <u>6</u>
Required payment into the local dedicated fund at June 30, 2002	99,329
Balance of funds held in the local dedicated fund at June 30, 2001	<u>728,135</u>
Required balance of funds held in the local dedicated fund at June 30, 2002	<u>\$ 827,464</u>
Amount Commission has restricted and reserved for closure and postclosure care	<u>\$ 847,403</u>



Jones County Solid Waste Management Commission

Schedule of Findings

Year ended June 30, 2002

- (8) IRS Form 1099 - The Commission did not prepare IRS Form 1099 miscellaneous for one individual who provided consulting services for the Commission equal to or greater than \$600.

Recommendation - The Commission should prepare IRS Form 1099 miscellaneous when required.

Response - We will review our records and prepare 1099's as needed.

Conclusion - Response accepted.

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Jones County Solid Waste Management Commission

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager  
Timothy D. Houlette, CPA, Senior Auditor  
Heather L. Templeton, Assistant Auditor

Andrew E. Nielsen, CPA  
Deputy Auditor of State