



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE February 26, 2004

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Auditor of State David A. Vaudt today released an audit report on the Wayne-Ringgold-Decatur County Solid Waste Management Commission for the years ended June 30, 2003 and 2002.

The Commission had total General Fund receipts of \$440,934 during the year ended June 30, 2003, which included county and city allocations of \$160,214 and landfill gate receipts of \$225,593. The Commission had total General Fund receipts of \$462,884 for the year ended June 30, 2002, which included county and city allocations of \$157,530 and landfill gate receipts of \$231,379.

General Fund disbursements totaled \$265,697 for the year ended June 30, 2003, which included \$100,220 for salaries and benefits and \$31,015 for equipment. General Fund disbursements totaled \$212,396 for the year ended June 30, 2002, which included \$95,905 for salaries and benefits and \$31,695 for tonnage fees remitted to the Iowa Department of Natural Resources.

A copy of the audit report is available for review in the Office of Auditor of State and at the Wayne-Ringgold-Decatur County Solid Waste Management Commission.

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**WAYNE-RINGGOLD-DECATUR COUNTY
SOLID WASTE MANAGEMENT COMMISSION**

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

JUNE 30, 2003 AND 2002

Table of Contents

| | <u>Page</u> |
|--|----------------|
| Officials | 3 |
| Independent Auditor's Report | 5 |
| Financial Statements: | <u>Exhibit</u> |
| Statements of Cash Transactions: | |
| General Fund | A 8 |
| Retainage Fund | B 9 |
| Closure/Postclosure Fund | C 10 |
| Notes to Financial Statements | 11-16 |
| Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting | 17-18 |
| Schedule of Findings | 19-20 |
| Staff | 21 |

**Wayne-Ringgold-Decatur County
Solid Waste Management Commission**

Officials

| <u>Name</u> | <u>Title</u> | <u>Representing</u> |
|---------------|--------------|---------------------|
| Larry Eastin | Chair | Decatur County |
| Jerry O'Dell | Vice-Chair | Wayne County |
| Royce Dredge | Member | Ringgold County |
| Bill Carlton | Member | City of Humeston |
| Keith Hinds | Member | City of Leon |
| Eldon Still | Member | City of Mount Ayr |
| Gus Dittman | Member | City of Tingley |
| Mary Davis | Member | City of Grand River |
| David Clayton | Member | City of Corydon |
| Pam Schreck | Member | Wayne County |
| Roger Potts | Member | City of Lamoni |
| | | |
| Yvonne Andrew | Treasurer | |
| | | |
| Sue Ruble | Secretary | |

**Wayne-Ringgold-Decatur County
Solid Waste Management Commission**



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Independent Auditor's Report

To the Members of Wayne-Ringgold-Decatur County
Solid Waste Management Commission:

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of Wayne-Ringgold-Decatur County Solid Waste Management Commission as of and for the years ended June 30, 2003 and 2002. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these 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 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 that our audit provides a reasonable basis for our opinion.

As described in note 1, these financial statements are 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 results of the cash transactions of Wayne-Ringgold-Decatur County Solid Waste Management Commission as of and for the years ended June 30, 2003 and 2002 on the basis of accounting described in note 1.

As discussed in note 8, Wayne-Ringgold-Decatur County Solid Waste Management Commission intends to implement Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures, for the year ending June 30, 2004. The effects of these statements are expected to significantly impact the presentation of the Commission's financial statements and related notes in the year of implementation. The revised requirements include an analytical overview of the Commission's financial activities in the Management's Discussion and Analysis introduction to the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2004 on our consideration of Wayne-Ringgold-Decatur 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.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 12, 2004

**Wayne-Ringgold-Decatur County
Solid Waste Management Commission**

Financial Statements

Exhibit A

Wayne-Ringgold-Decatur County Solid Waste Management Commission

General Fund

Statement of Cash Transactions

Years ended June 30, 2003 and 2002

| | <u>2003</u> | <u>2002</u> |
|--|---------------------|------------------|
| Receipts: | | |
| Allocations from cities and counties | \$ 160,214 | 157,530 |
| Landfill gate receipts | 225,593 | 231,379 |
| Interest on investments | 53,627 | 72,986 |
| Miscellaneous | 1,500 | 989 |
| Total receipts | <u>440,934</u> | <u>462,884</u> |
| Disbursements: | | |
| Salaries and benefits | 100,220 | 95,905 |
| Engineering services | 27,696 | 20,977 |
| Iowa Department of Natural Resources tonnage fee | 28,868 | 31,695 |
| Scale expense | 369 | 84 |
| Insurance | 23,177 | 20,504 |
| Diesel fuel and supplies | 6,872 | 6,085 |
| Equipment | 31,015 | - |
| Equipment repair, rent and supplies | 11,890 | 16,708 |
| Travel | 2,182 | 2,246 |
| Road rock | 2,081 | 898 |
| Utilities | 2,376 | 2,250 |
| Office operation | 5,692 | 6,449 |
| Ground maintenance | 12,742 | 2,519 |
| Miscellaneous | 10,517 | 6,076 |
| Total disbursements | <u>265,697</u> | <u>212,396</u> |
| Excess of receipts over disbursements | <u>175,237</u> | <u>250,488</u> |
| Other financing uses: | | |
| Operating transfers out: | | |
| Retainage Fund | (12,576) | (10,566) |
| Closure/Postclosure Fund | (75,000) | (95,480) |
| Total other financing uses | <u>(87,576)</u> | <u>(106,046)</u> |
| Excess of receipts over disbursements and other financing uses | 87,661 | 144,442 |
| Balance beginning of year | <u>1,495,957</u> | <u>1,351,515</u> |
| Balance end of year | <u>\$ 1,583,618</u> | <u>1,495,957</u> |

See notes to financial statements.

Wayne-Ringgold-Decatur County Solid Waste Management Commission

Retainage Fund

Statement of Cash Transactions

Years ended June 30, 2003 and 2002

| | 2003 | 2002 |
|---|-----------|--------|
| Receipts: | | |
| Interest on investments | \$ 756 | 1,076 |
| Disbursements: | | |
| None | - | - |
| Excess of receipts over disbursements | 756 | 1,076 |
| Other financing sources: | | |
| Operating transfers in: | | |
| General Fund | 12,576 | 10,566 |
| Excess of receipts and other financing sources over disbursements | 13,332 | 11,642 |
| Balance beginning of year | 80,338 | 68,696 |
| Balance end of year | \$ 93,670 | 80,338 |

See notes to financial statements.

Exhibit C

Wayne-Ringgold-Decatur County Solid Waste Management Commission

Closure/Postclosure Fund

Statement of Cash Transactions

Years ended June 30, 2003 and 2002

| | <u>2003</u> | <u>2002</u> |
|---|-------------------|----------------|
| Receipts: | | |
| Interest on investments | \$ 19,114 | 1,604 |
| Disbursements: | | |
| None | - | - |
| Excess of receipts over disbursements | 19,114 | 1,604 |
| Other financing sources: | | |
| Operating transfers in: | | |
| General Fund | 75,000 | 95,480 |
| Excess of receipts and other financing sources over disbursements | 94,114 | 97,084 |
| Balance beginning of year | 384,066 | 286,982 |
| Balance end of year | <u>\$ 478,180</u> | <u>384,066</u> |

See notes to financial statements.

Wayne-Ringgold-Decatur County Solid Waste Management Commission

Notes to Financial Statements

June 30, 2003

(1) Summary of Significant Accounting Policies

Wayne-Ringgold-Decatur County Solid Waste Management Commission was formed in 1988 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to develop, operate and maintain solid waste and recycling facilities for Wayne, Ringgold, and Decatur Counties on behalf of the units of government which are members of the Commission.

The governing body of the Commission is composed of one representative from each of the member units of government. The member counties are Wayne, Ringgold, and Decatur and the member cities are the Iowa cities of Lamoni, Leon, Davis City, Garden Grove, Van Wert, Grand River, Decatur, Weldon, Pleasanton, Le Roy, Mount Ayr, Diagonal, Kellerton, Tingley, Redding, Ellston, Delphos, Maloy, Beaconsfield, Benton, Huneston, Lineville, Clio, Corydon, and Allerton. The commissioners are appointed by the participating political subdivisions and each has one vote for each one thousand population, or fraction thereof, which the member represents.

A. Reporting Entity

For financial reporting purposes, Wayne-Ringgold-Decatur 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 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 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 the Commission are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its receipts, disbursements and balances. The various funds and their designated purpose are as follows:

General Fund – This is the general operating fund of the Commission. All receipts that are not related to retainage or closure/post closure 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 through other funds.

Retainage Fund – This fund is utilized to account for the solid waste fees retained by the Commission in accordance with Chapter 455E.11 of the Code of Iowa.

Closure/Postclosure Fund – This fund is utilized to account for all monies held by the Commission to meet the closure and postclosure care requirements for municipal solid waste landfills established by the Environmental Protection Agency.

C. Basis of Accounting

Wayne-Ringgold-Decatur County Solid Waste Management Commission maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Commission are 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 and postclosure care costs. Accordingly, the financial statements do not present the financial position and results of operations of the Commission in accordance with U.S. generally accepted accounting principles.

(2) Cash and Investments

The Commission's deposits in banks at June 30, 2003 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's investments are categorized to give an indication of the level of risk assumed by the Commission at year end. The Commission's investments are all category 1, which means the investments are insured or registered or the securities are held by the Commission or its agent in the Commission's name.

The Commission's investments at June 30, 2003 are as follows:

| Type | Carrying Amount | Fair Value |
|---------------------|-----------------|------------|
| U.S. treasury bonds | \$ 399,000 | 420,708 |

(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 covered payroll. Contribution requirements are established by state statute. The Commission's contributions to IPERS for the years ended June 30, 2003, 2002, and 2001 were \$4,980, \$4,793, and \$4,797, respectively, equal to the required contributions for each year.

(4) Compensated Absences

Commission employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. However, sick leave hours are lost upon resignation, retirement, or death. These accumulations are not recognized as disbursements by the Commission until used or paid. The Commission's approximate liability to employees for earned vacation leave at June 30, 2003, primarily relating to the General Fund, is as follows:

| Type of Benefit | Amount |
|-----------------|-----------------|
| Vacation | <u>\$ 1,900</u> |

This liability has been computed based on rates of pay in effect at June 30, 2003.

(5) Closure and Postclosure Care Costs

To comply with federal and state regulations, the Commission is required to complete a monitoring system plan and a closure/postclosure plan to provide funding necessary to effect closure and postclosure, 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 postclosure 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 postclosure 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 consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring care, (2) the cost of final cover (material and labor), (3) the cost of monitoring and landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost would be based on the cost to purchase those services and equipment currently and would be required to be updated annually for changes to inflation or deflation, technology, or applicable laws or regulations.

The total costs for Wayne-Ringgold-Decatur County Solid Waste Management Commission as of June 30, 2003 have been estimated at \$262,376 for closure and \$318,570 for postclosure, for a total of \$580,946. The estimated remaining life of the landfill is 35 years and the capacity used at June 30, 2003 is 26 percent.

(6) Solid Waste Tonnage Fees Retained

The Commission has established an account for restricting and using solid waste tonnage fees retained by the Commission. At June 30, 2003, the unspent amounts retained by the Commission and restricted for the required specific purposes totaled \$93,670.

(7) Risk Management

Wayne-Ringgold-Decatur County Solid Waste Management Commission is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

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

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

The Commission's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Commission's annual contributions to the Pool for the year ended June 30, 2003 were \$7,917.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in the aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The Commission does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2003, no liability has been recorded in the Commission's financial statements. As of June 30, 2003, settled claims have not exceeded the risk pool or reinsurance coverage in any of the past three fiscal years.

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

The Commission also carries commercial insurance purchased from other insurers for coverages associated with workers compensation, auto, commercial property, commercial inland marine, and employee blanket bond. The Commission assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(8) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus; and Statement No. 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the year ending June 30, 2004. The effects are expected to significantly impact the presentation of governmental financial statements in the year of implementation. The revised minimum reporting requirements include Management's Discussion and Analysis to introduce the financial statements and to provide an analytical overview of the Commission's financial activities.

**Wayne-Ringgold-Decatur County
Solid Waste Management Commission**



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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Des Moines, Iowa 50319-0004

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

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

To the Members of Wayne-Ringgold-Decatur County
Solid Waste Management Commission:

We have audited the financial statements of Wayne-Ringgold-Decatur County Solid Waste Management Commission as of and for the year ended June 30, 2003, and have issued our report thereon dated January 12, 2004. 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, 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 Wayne-Ringgold-Decatur County Solid Waste Management Commission's 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, 2003 are based exclusively on knowledge obtained from procedures performed during our audit of the 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. The prior year statutory comment has not been resolved and has been restated as item (1).

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wayne-Ringgold-Decatur 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 statements 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 Wayne-Ringgold-Decatur County Solid Waste Management Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in 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 statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in 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 item (A) is a material weakness. The prior year reportable condition has not been resolved and has been restated.

This report, a public record by law, is intended solely for the information and use of the members and customers of Wayne-Ringgold-Decatur 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 Wayne-Ringgold-Decatur 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.

DAVID A. VAUDT, CPA
Auditor of State

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 12, 2004

Wayne-Ringgold-Decatur County Solid Waste Management Commission

Schedule of Findings

Year ended June 30, 2003

Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

REPORTABLE CONDITIONS:

- (A) Segregation of Duties – During our review of internal controls, the existing control activities 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 the investments, receipts, and accounts receivable.

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

Response – Beginning January 2004 duties have been reassigned. Accounts payable, payroll and other secretarial duties will be performed by Sue Ruble, the secretary, and accounts receivable, investments, reconciliations and reports will be handled by Yvonne, the treasurer.

Conclusion – Response accepted.

Other Findings Related to Statutory Reporting:

- (1) Official Depositories – A resolution naming official depositories has been approved by the Commission. The maximum deposit amount stated in the resolution for Great Western Bank was exceeded during the year ended June 30, 2003.

Recommendation - A new resolution in an amount sufficient to cover anticipated balances at the approved depository should be adopted.

Response – We will not increase the depository amount for Great Western. Instead, starting January 2004 we will limit the use of this account to restrict total deposits to less than the maximum deposit amount stated in the resolution. We will use our other bank, as necessary, and will monitor total deposits to ensure adequate coverage.

Conclusion – Response accepted.

- (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.

Wayne-Ringgold-Decatur County Solid Waste Management Commission

Schedule of Findings

Year ended June 30, 2003

- (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) Cash and Investments – Except as noted above, 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.
- (6) Solid Waste Tonnage Fees Retained – During the year ended June 30, 2003, the Commission used or retained the solid waste fees in accordance with Chapters 455B.310(3) and (4) of the Code of Iowa.
- (7) Financial Assurance – The Commission has demonstrated financial assurance for closure and postclosure care costs by establishing a local government dedicated fund as provided in Chapter 111.6(9) of the Iowa Administrative Code. The calculation is made as follows:

| | <u>Closure</u> | <u>Postclosure</u> | <u>Total</u> |
|--|-------------------|--------------------|----------------|
| Total estimated costs for closure and postclosure care | \$ 262,376 | 318,570 | 580,946 |
| Less: Balance of funds held in the local dedicated fund at June 30, 2002 | <u>172,830</u> | <u>211,236</u> | <u>384,066</u> |
| | 89,546 | 107,334 | 196,880 |
| Divided by the number of years remaining in the pay-in period | <u>÷ 5</u> | <u>÷ 5</u> | <u>÷ 5</u> |
| Required payment into the local dedicated fund for the year ended June 30, 2003 | 17,909 | 21,467 | 39,376 |
| Balance of funds held in the local dedicated fund at June 30, 2002 | <u>172,830</u> | <u>211,236</u> | <u>384,066</u> |
| Required balance of funds to be held in the local dedicated fund at June 30, 2003 | <u>\$ 190,739</u> | <u>232,703</u> | <u>423,442</u> |
| Amount Commission has restricted and reserved for financial assurance at June 30, 2003 | <u>\$ 215,635</u> | <u>262,545</u> | <u>478,180</u> |

Wayne-Ringgold-Decatur County Solid Waste Management Commission

Staff

This audit was performed by:

Steven M. Nottger, CPA, Manager
Heather L. Templeton, Assistant Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State