



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____ February 5, 2015 _____

Contact: Andy Nielsen
515-281-5834

Auditor of State Mary Mosiman today released an audit report on the Pocahontas County Solid Waste Commission.

The Commission had total receipts of \$328,541 for the year ended June 30, 2014, a 1.7% increase over the prior year. The receipts included city assessments of \$191,969, county assessments of \$97,542 and gate and recycling fees of \$34,507.

Disbursements for the year ended June 30, 2014 totaled \$391,588, a 9.3% increase over the prior year, and included \$88,049 for salaries and benefits, \$131,694 for landfill disposal fees and \$73,624 for capital outlay. The increase in disbursements is due primarily to the purchase of a garbage trailer during fiscal year 2014.

A copy of the audit report is available for review in 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/1414-2319-B00F.pdf>.

#

POCAHONTAS COUNTY SOLID WASTE COMMISSION

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

JUNE 30, 2014

Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5-6
Management's Discussion and Analysis	7-9
Financial Statement:	<u>Exhibit</u>
Statement of Cash Receipts, Disbursements and Changes in Cash Balance	A 10
Notes to Financial Statement	11-14
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>
Jeffrey Ives	Chairperson	Pocahontas County
Paul Beneke	Vice Chairperson	Pocahontas County
Angela Schneider	Secretary	City of Rolfe
Eric List	Member	City of Pocahontas
Denise Krischel	Member	City of Havelock
Julie Potter	Member	City of Laurens
JM Winger	Member	City of Plover
Dennis Hallberg	Member	City of Palmer
Chris Archer	Member	City of Varina
Dean Beneke	Manager	
Jeffrey Johnson	Treasurer	

Pocahontas County Solid Waste Commission



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Mary Mosiman, 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:

Report on the Financial Statement

We have audited the accompanying financial statement of the Pocahontas County Solid Waste Commission as of and for the year ended June 30, 2014, and the related Notes to Financial Statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2014, and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

As described in Note 1, the financial statement was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.


Other Matters


Other Information

The other information, Management's Discussion and Analysis on pages 7 through 9, has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 7, 2015 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 in considering the Pocahontas County Solid Waste Commission's internal control over financial reporting and compliance.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 7, 2015

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 Pocahontas County Solid Waste Commission is for the year ended June 30, 2014. We encourage readers to consider this information in conjunction with the Commission's financial statement, which follows.

2014 FINANCIAL HIGHLIGHTS

- ◆ Operating receipts increased 1.9%, or approximately \$6,100, from fiscal year 2013 to fiscal year 2014.
- ◆ Operating disbursements increased 2.5%, or approximately \$7,600, from fiscal year 2013 to fiscal year 2014.
- ◆ The Commission's cash balance decreased 14.1%, or approximately \$63,000, from June 30, 2013 to June 30, 2014.

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 is 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 Balance 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.
- 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 Balance

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 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 or decrease in the PCSWC's cash balance.

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 outlays. A summary of cash receipts, disbursements and changes in cash balance for the years ended June 30, 2014 and June 30, 2013 is as follows:

	Changes in Cash Basis Net Assets	
	Year ended June 30,	
	2014	2013
Operating receipts:		
City assessments	\$ 191,969	187,303
County assessments	97,542	95,509
Gate and recycling fees	34,507	35,202
Refunds	166	-
Miscellaneous	-	44
Total operating receipts	324,184	318,058
Operating disbursements:		
Salaries and benefits	88,049	86,646
Operator and recycling contracts	150,386	147,661
Other	79,529	76,036
Total operating disbursements	317,964	310,343
Excess of operating receipts over operating disbursements	6,220	7,715
Non-operating receipts (disbursements):		
Interest on investments	4,357	4,837
Capital outlay	(73,624)	(47,930)
Net non-operating receipts (disbursements)	(69,267)	(43,093)
Change in cash balance	(63,047)	(35,378)
Cash balance beginning of year	446,130	481,508
Cash balance end of year	\$ 383,083	446,130

In fiscal year 2014, operating receipts increased \$6,126, or 1.9%, over fiscal year 2013 and operating disbursements increased \$7,621, or 2.5%, over fiscal year 2013.

The smaller portion of the PCSWC's cash basis fund balance (2.1%) is restricted for closure care. The remaining portion (97.9%) is the unrestricted cash basis fund balance which is available to meet the PCSWC's obligations as they come due. The PCSWC has historically designated a portion of the unrestricted cash basis fund balance for the purpose of replacing capital assets as the need arises. At June 30, 2014, the PCSWC's designated funds totaled \$242,063.

LONG-TERM DEBT

At June 30, 2014, the Commission had no long term debt outstanding.

ECONOMIC FACTORS

The PCSWC's cash basis financial position decreased 14.1% from the prior year, primarily due to the purchase of a garbage trailer in fiscal year 2014. The current condition of the economy in the state continues to be a concern for Commission officials. Some of the realities which may potentially become challenges for the Commission to meet are:

- ◆ Facilities and equipment require constant maintenance and upkeep.
- ◆ Technology continues to expand and current technology becomes outdated, presenting an ongoing challenge to maintain up to date technology at a reasonable cost.
- ◆ Annual deposits required to be made to closure accounts are based on constantly changing cost estimates and the number of tons of solid waste received at the facility.

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 its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the PCSWC by mail at, P.O. Box 98, Pocahontas, Iowa 50574, by telephone at 712-335-3301 or by email at jeff@jeffjohnsonaccounting.com.

Exhibit A

Pocahontas County Solid Waste Commission
Statement of Cash Receipts, Disbursements and
Changes in Cash Balance

Year ended June 30, 2014

Operating receipts:	
City assessments	\$ 191,969
County assessments	97,542
Gate and recycling fees	34,507
Refunds	166
Total operating receipts	<u>324,184</u>
Operating disbursements:	
Salaries and benefits	88,049
Landfill disposal fees	131,694
Recycling	17,675
Insurance	27,424
Hazardous waste disposal	1,017
Tonnage fees remitted to Landfill Operator	13,559
Legal, accounting and auditing	12,617
Utilities and telephone	5,176
Advertising and supplies	3,222
Truck expense	12,905
Repair and maintenance	2,798
Miscellaneous	1,828
Total operating disbursements	<u>317,964</u>
Excess of operating receipts over operating disbursements	<u>6,220</u>
Non-operating receipts (disbursements):	
Interest on investments	4,357
Capital outlay	(73,624)
Net non-operating receipts (disbursements)	<u>(69,267)</u>
Change in cash balance	(63,047)
Cash balance beginning of year	<u>446,130</u>
Cash balance end of year	<u>\$ 383,083</u>
Cash Basis Fund Balance	
Restricted for closure care	\$ 8,000
Unrestricted	<u>375,083</u>
Total cash basis fund balance	<u>\$ 383,083</u>

See notes to financial statement.

Pocahontas County Solid Waste Commission

Notes to Financial Statement

June 30, 2014

(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 payable 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. Cash Basis Fund Balance

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, 2014 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 5.95% of their annual salary and the Commission is required to contribute 8.93% of annual covered salary. Contribution requirements are established by state statute. The Commission's contributions to IPERS for the years ended June 30, 2014, 2013 and 2012 were \$5,421, \$4,857 and \$4,054, respectively, equal to the required contributions for each year.

(4) Other Postemployment Benefits (OPEB)

Plan Description - The Commission operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. There are 2 active and 1 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 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 \$615 for single coverage and \$1,376 for family coverage. For the year ended June 30, 2014, the Commission contributed \$16,471 and plan members eligible for benefits contributed \$5,430 to the plan.

(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 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, 2014, the Landfill Operator was paid \$131,694 under this contract and an additional \$13,559 in tonnage fees mandated by the Iowa Department of Natural Resources.

(7) Recyclable Material 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, 2014, the contractor was paid \$7,209 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, 2014, the contractor was paid \$1,440 under this contract.

(9) 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 approximate liability for earned vacation at June 30, 2014 was \$2,200. This liability has been computed based on rates of pay in effect at June 30, 2014.

(10) 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, 2014 have been estimated at \$7,400. Assets of \$8,000 are restricted for these purposes and are reported as restricted cash basis fund balance in the Statement of Cash Receipts, Disbursements and Changes in Cash Balance.

(11) Designated Balance

The Commission maintains \$242,063 as a designated balance in a separate ledger account identified for specific types of equipment.

(12) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information.



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

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

Mary Mosiman, CPA
Auditor of State

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 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, the financial statement of the Pocahontas County Solid Waste Commission as of and for the year ended June 30, 2014, and the related Notes to Financial Statement, and have issued our report thereon dated January 7, 2015. Our report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Pocahontas County Solid Waste Commission's internal control over financial reporting to determine the audit procedures appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Pocahontas County Solid Waste Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control 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 Pocahontas County Solid Waste 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, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2014 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


The Pocahontas County Solid Waste Commission's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Pocahontas County Solid Waste Commission's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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.


MARY MOSIMAN, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 7, 2015

Pocahontas County Solid Waste Commission

Schedule of Findings

Year ended June 30, 2014

Finding Related to the Financial Statement:

INTERNAL CONTROL DEFICIENCY:

- (A) Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual may have control over receipts, including collecting, depositing, posting and listing mail receipts. In addition, one individual has custody of investments and is responsible for investing and record keeping.

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 using currently available staff, including Commission members.

Response – The Commission will review procedures and identify ways to segregate duties as much as possible.

Conclusion – Response accepted.

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.
- (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
Miranda Shipman, Staff Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State