



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

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NEWS RELEASE

FOR RELEASE

March 4, 2010

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released an audit report on the South Central Iowa Regional E-911 Service Board.

Vaudt reported the Service Board had total receipts of \$572,964 for the year ended June 30, 2009, a 5.2% decrease from 2008. The receipts included \$560,777 in land line and wireless surcharge fees and \$12,187 in interest on investments.

The decrease in receipts is primarily due to a decrease in wireless surcharge fees received from the state in fiscal 2009 following a \$28,259 distribution in fiscal 2008 of wireless surcharge fees from the State of Iowa for additional public safety answering point improvements.

Disbursements for the year ended June 30, 2009 totaled \$778,149, a 49.4% increase over 2008. Disbursements included \$166,955 for signs and equipment, \$117,544 for E-911 phone calls and cable expansion, \$129,164 for administration and \$364,486 for debt service.

A copy of the audit report is available for review in the South Central Iowa Regional E-911 Service Board's Office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/index.html>.

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SOUTH CENTRAL REGIONAL E-911 SERVICE BOARD

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

JUNE 30, 2009

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South Central Iowa Regional E-911 Service Board

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
(Before January 2009)		
Paul Welch	Board Chairman	Madison County
Dennis Denton	Board Member	Adair County
Steve Shelley	Board Member	Adair County
Bill Lyddon	Board Member	Adams County
Phyllis Mullen	Board Member	Adams County
Karen Benson	Board Member	Clarke County
Marty Duffus	Board Member	Clarke County
Ken Vanlandingham	Board Member	Guthrie County
Michael Ware	Board Member	Taylor County
Lonnie Weed	Board Member	Taylor County
Jo Duckworth	Board Member	Union County
Ron Riley	Board Member	Union County

Stephen Patterson	Board Secretary/Treasurer	Guthrie County
Joni Walston	Administrator	

(After January 2009)

Paul Welch	Board Chairman	Madison County
Dennis Denton	Board Member	Adair County
Steve Shelley	Board Member	Adair County
Bill Lyddon	Board Member	Adams County
Phyllis Mullen	Board Member	Adams County
Karen Benson	Board Member	Clarke County
Marty Duffus	Board Member	Clarke County
Marty Arganbright	Board Member	Guthrie County
Michael Ware	Board Member	Taylor County
Lonnie Weed	Board Member	Taylor County
Jo Duckworth	Board Member	Union County
Robert Jansen	Board Member	Union County

Stephen Patterson	Board Secretary/Treasurer	Guthrie County
Joni Walston	Administrator	

South Central Iowa Regional E-911 Service Board



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Independent Auditor's Report

To the Members of the South Central
Iowa Regional E-911 Service Board:

We have audited the accompanying financial statement of the South Central Iowa Regional E-911 Service Board as of and for the year ended June 30, 2009. This financial statement is the responsibility of the Service Board's officials. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note 1, this financial statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of the South Central Iowa Regional E-911 Service Board as of June 30, 2009, and the respective changes in its cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated January 14, 2010 on our consideration of the South Central Iowa Regional E-911 Service Board'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 and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 9 and 18 through 19 are not a required part of the financial statement, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statement of the South Central Iowa Regional E-911 Service Board. Other supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in our audit of the financial statement and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 14, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The South Central Iowa Regional E-911 Service Board provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities of the Board is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the Service Board's financial statement, which follows.

2009 FINANCIAL HIGHLIGHTS

- ◆ The Service Board's total receipts decreased 5.2%, or \$31,258, from fiscal year 2008 to fiscal year 2009.
- ◆ The Service Board's total disbursements increased 49.4%, or \$257,294, from fiscal year 2008 to fiscal year 2009.
- ◆ The Service Board's total cash basis net assets decreased 37.1%, or \$205,185, from June 30, 2008 to June 30, 2009.

USING THIS ANNUAL REPORT

The South Central Iowa Regional E-911 Service Board 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 Service Board's 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 Service Board's cash basis of accounting.

This discussion and analysis are intended to serve as an introduction to the South Central Iowa Regional E-911 Service Board's financial statement. The annual report consists of a financial statement and other information, as follows:

- Management's Discussion and Analysis introduces the financial statement and provides an analytical overview of the Board's financial activities.
- The Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets presents information on the South Central Iowa Regional E-911 Service Board's receipts and disbursements and whether the Service Board's cash basis financial position has improved or deteriorated as a result of the year's activities.
- The Notes to Financial Statement provide additional information essential to a full understanding of the data provided in the financial statement.
- Required Supplementary Information further explains and supports the financial statement with a comparison of the Service Board's budget for the year.
- The Schedule of Indebtedness provides details of the Service Board's debt at June 30, 2009.

FINANCIAL ANALYSIS OF THE SERVICE BOARD

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

The purpose of the statement is to present the receipts received by the South Central Iowa Regional E-911 Service Board and the disbursements paid by the Board. The statement also presents a fiscal snapshot of the Board's cash balances at year end. Over time, readers of the financial statement are able to determine the Service Board's financial position by analyzing the increases and decreases in net assets.

Receipts are received on a quarterly basis for surcharges added to each land phone line and each wireless phone. These fees are received from the telephone companies or the State of Iowa, respectively, for phones within the participating counties of the Board. Disbursements are paid to operate the E-911 emergency telephone assistance system. Other receipts and disbursements are for interest on investments, repayment of debt and administration. A summary of cash receipts, disbursements and changes in cash basis net assets for the years ended June 30, 2009 and June 30, 2008 are presented below:

	<u>Year ended June 30</u>	
	<u>2009</u>	<u>2008</u>
Operating receipts:		
Land line and wireless surcharge fees	\$ 560,777	590,130
Operating disbursements:		
Signs and equipment	166,955	140,782
Administration	129,164	151,279
E-911 phone calls and cable expansion	117,544	128,491
Total operating disbursements	<u>413,663</u>	<u>420,552</u>
Excess of operating receipts over operating disbursements	<u>147,114</u>	<u>169,578</u>
Non-operating receipts (disbursements):		
Interest on investments	12,187	14,092
Debt service	<u>(364,486)</u>	<u>(100,303)</u>
Total non-operating receipts (disbursements)	<u>(352,299)</u>	<u>(86,211)</u>
Change in cash basis net assets	(205,185)	83,367
Cash basis net assets beginning of year	<u>553,369</u>	<u>470,002</u>
Cash basis net assets end of year	<u>\$ 348,184</u>	<u>553,369</u>
Cash Basis Net Assets		
Restricted:		
E-911 services	<u>\$ 348,184</u>	<u>553,369</u>

The Service Board's net assets are used in the routine operations of the Board and for capital improvements to the E-911 system.

In fiscal year 2009, operating receipts decreased \$29,353, or 5.0%. The decrease was primarily a result of decreased E-911 wireless surcharge fees collected. In fiscal year 2009, operating disbursements decreased \$6,889, or 1.6%, from fiscal year 2008. The decrease is primarily due to less upgrades paid for in fiscal year 2009.

BUDGETARY HIGHLIGHTS

The South Central Iowa Regional E-911 Service Board prepares a budget on the cash basis of accounting. The Service Board amended its budget once during the year ended June 30, 2009.

The Service Board's receipts were \$61,164 more than budgeted. This was primarily due to the Service Board receiving more in wireless surcharge fees and interest on investments than anticipated.

Total disbursements were \$4,338 more than budgeted.

LONG-TERM DEBT

At June 30, 2009, the Service Board had no outstanding indebtedness. In fiscal year 2009, the remaining balance of \$350,000 of the loan indebtedness was repaid.

ECONOMIC FACTORS

The South Central Iowa Regional E-911 Service Board continued to improve its financial position during the current fiscal year. A large factor in this is the surcharge income from wireless phones. Some of the realities that may potentially become challenges for the Board to meet are:

- ◆ Facilities require constant maintenance and upkeep.
- ◆ Technology continues to expand and current technology becomes outdated, presenting an on going challenge to maintain up to date technology at a reasonable cost.
- ◆ Increase in monthly maintenance costs.
- ◆ Mapping changes to include cities, rural and county information, as well as participating bordering counties.
- ◆ Increase in monthly rental costs over fiscal year 2009.
- ◆ Trends away from land lines, which provide a \$1 surcharge, towards wireless, which provide a 65 cent surcharge.

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

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the South Central Iowa Regional E-911 Service Board, Attn: Joni Walston, Administrator, 411 Central Avenue, P.O. Box 14, Bedford, Iowa 50833.

South Central Iowa Regional E-911 Service Board

Financial Statement

Exhibit A

South Central Iowa Regional E-911 Service Board

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

As of and for the year ended June 30, 2009

Operating receipts:	
Land line and wireless surcharge fees	<u>\$ 560,777</u>
Operating disbursements:	
Signs and equipment	166,955
Administration	129,164
E-911 phone calls and cable expansion	117,544
Total operating disbursements	<u>413,663</u>
Excess of operating receipts over operating disbursements	<u>147,114</u>
Non-operating receipts (disbursements):	
Interest on investments	12,187
Debt service:	
Principal	(350,000)
Interest	(14,211)
Registrar fees	(275)
Total non-operating receipts (disbursements)	<u>(352,299)</u>
Change in cash basis net assets	(205,185)
Cash basis net assets beginning of year	<u>553,369</u>
Cash basis net assets end of year	<u><u>\$ 348,184</u></u>
Cash Basis Net Assets	
Restricted:	
E-911 services	<u><u>\$ 348,184</u></u>

See notes to financial statement.

South Central Iowa Regional E-911 Service Board

Notes to Financial Statement

June 30, 2009

(1) Summary of Significant Accounting Policies

The South Central Iowa Regional E-911 Service Board was formed in 1991 pursuant to the provisions of Chapters 28E and 34A of the Code of Iowa. The Service Board is to provide public safety service to the citizens of Adair, Adams, Clarke, Guthrie, Madison, Taylor and Union Counties.

The Service Board is composed of two representatives from each participating County. One shall be a representative of the County Board of Supervisors and the other shall be a representative of the County E-911 Service Board. Each representative has one vote and each representative may have an alternate who can vote in the member's absence. One representative position for Madison County was vacant at June 30, 2009.

A. Reporting Entity

For financial reporting purposes, the South Central Iowa Regional E-911 Service Board has included all funds and organizations. The Service Board 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 Service Board are such that exclusion would cause the Service Board'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 Service Board 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 Service Board. The Service Board has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Service Board are organized as an Enterprise Fund. Enterprise Funds may be used to report any activity for which a fee is charged to external users for goods or services.

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 South Central Iowa Regional E-911 Service Board maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Service Board is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statement does not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

(2) Cash and Investments

The Service Board's deposits in banks at June 30, 2009 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 Service Board 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 Service Board; 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 Service Board had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

(3) Loan Agreement

On April 15, 1999, the South Central Iowa Regional E-911 Service Board entered into a loan agreement with Guthrie County for assistance in financing the repayment of debt and specific improvements and upgrades for the E-911 service system. The agreement provided for Guthrie County to sell \$955,000 of general obligation E-911 notes on behalf of the Service Board. The Service Board received \$936,402 under the loan agreement.

The loan agreement was entered into pursuant to the authority contained in Chapters 331.402 and 331.443 of the Code of Iowa. The intention of the South Central Iowa Regional E-911 Service Board and Guthrie County is to repay the loan exclusively from E-911 service surcharge fees.

The Service Board is required to make semi-annual payments on June 1 and December 1 in each of the years 1999 to 2012.

During the year ended June 30, 2009, the remaining \$350,000 loan principal was repaid to Guthrie County.

(4) Risk Management

The Service Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Service Board assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

(5) Compensated Absences

The Service Board's employee accumulates a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. This accumulation is not recognized as a disbursement by the Service Board until used or paid. The Service Board's approximate liability for earned vacation payable to its employee was \$1,500 at June 30, 2009. This liability has been computed based on the rate of pay in effect at June 30, 2009.

(6) Operating Lease

The Service Board leases its office facility for a five year period ending May 31, 2010 under an agreement requiring minimum monthly rental payments of \$466, adjusted annually for the change in the Consumer Price Index (inflation). The lease is classified as an operating lease and, accordingly, all rents are charged as disbursements. The lease also requires the payment of normal maintenance and insurance on the property.

The total rental disbursements for the year ended June 30, 2009 for the operating lease were \$5,588.

South Central Iowa Regional E-911 Service Board

Required Supplementary Information

South Central Iowa Regional E-911 Service Board

Budgetary Comparison Schedule of Receipts, Disbursements and
Changes in Balances - Budget and Actual (Cash Basis)

Year Ended June 30, 2009

	Actual	Original Budget	Final Budget	Final to Actual Variance
Receipts:				
Land line and wireless surcharge fees	\$ 560,777	510,000	510,000	50,777
Miscellaneous	12,187	1,800	1,800	10,387
Total receipts	<u>572,964</u>	<u>511,800</u>	<u>511,800</u>	<u>61,164</u>
Disbursements:				
Signs and equipment	166,955	161,000	161,000	(5,955)
Administration	129,164	128,400	128,400	(764)
E-911 phone calls and cable expansion	117,544	120,000	120,000	2,456
Debt service	364,486	99,000	364,411	(75)
Total disbursements	<u>778,149</u>	<u>508,400</u>	<u>773,811</u>	<u>(4,338)</u>
Excess (deficiency) of receipts over (under) expenditures	(205,185)	3,400	(262,011)	56,826
Balance beginning of year	<u>553,369</u>	<u>164,022</u>	<u>553,369</u>	-
Balance end of year	<u>\$ 348,184</u>	<u>167,422</u>	<u>291,358</u>	<u>56,826</u>

See accompanying independent auditor's report.

South Central Iowa Regional E-911 Service Board

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2009

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons.

In accordance with the Code of Iowa, the Service Board annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutory prescribed procedures.

During the year, one budget amendment increased budgeted disbursements by \$265,411. The budget amendment is reflected in the final budgeted amounts.

Formal and legal budgetary control is based on total disbursements. During the year ended June 30, 2009, disbursements exceeded the amount budgeted.

South Central Iowa Regional E-911 Service Board

Other Supplementary Information

South Central Iowa Regional E-911 Service Board

Schedule of Indebtedness

Year ended June 30, 2009

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
Loan agreement - Guthrie County: E-911 Operating	April 15, 1999	4.00 - 4.75%	\$ 955,000

See accompanying independent auditor's report.

Balance Beginning of Year	Redeemed During Year	Balance End of Year	Interest Paid
350,000	350,000	-	14,211

South Central Iowa Regional E-911 Service Board



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Auditor of State

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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 South Central
Iowa Regional E-911 Service Board:

We have audited the accompanying financial statement of the South Central Iowa Regional E-911 Service Board as of and for the year ended June 30, 2009, and have issued our report thereon dated January 14, 2010. Our report expressed an unqualified opinion on the financial statement which was prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the South Central Iowa Regional E-911 Service Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of the South Central Iowa Regional E-911 Service Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the South Central Iowa Regional E-911 Service Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the South Central Iowa Regional E-911 Service Board's ability to initiate, authorize, record, process or report financial data reliably in accordance with an other comprehensive basis of accounting such that there is more than a remote likelihood a misstatement of the South Central Iowa Regional E-911 Service Board's financial statement that is more than inconsequential will not be prevented or detected by the South Central Iowa Regional E-911 Service Board's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statement will not be prevented or detected by the South Central Iowa Regional E-911 Service Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items (A) and (B) are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Central Iowa Regional E-911 Service Board'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 required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Service Board's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Service Board. 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 South Central Iowa Regional E-911 Service Board's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the South Central Iowa Regional E-911 Service Board's responses, we did not audit the South Central Iowa Regional E-911 Service Board's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the members and customers of the South Central Iowa Regional E-911 Service Board and other parties to whom the Service Board 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 South Central Iowa Regional E-911 Service Board 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 14, 2010

South Central Iowa Regional E-911 Service Board

Schedule of Findings

Year ended June 30, 2009

Findings Related to the Financial Statement:

SIGNIFICANT DEFICIENCIES:

- (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. When duties are properly segregated, the activities of one employee act as a check on those of another. The cash receipts listing, bank deposits and the posting of cash receipts to the cash receipts journal are all done by the same person.

Recommendation – We realize segregation of duties is difficult with a limited number of employees. However, the Service Board should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel to provide additional control through review of financial transactions, reconciliations and reports. Reviews performed by independent persons should be evidenced by initials or signature of the reviewer and the date of the review.

Response – The Service Board feels the duties are segregated accordingly as well as they can be. There is no money available to hire a second person for the purpose of segregating checks. Currently one location does receive all surcharge checks and deposits them into the bank account. The check stubs and all information received with these are sent to the Treasurer for records. Records are kept in two places and bank notices are sent to two employees in two different locations so all are aware of accounts.

Conclusion – Response acknowledged. The Service Board should utilize current personnel, including Service Board members, to provide additional control through review of financial transactions, reconciliations and reports.

- (B) Bank Reconciliations – Monthly reconciliations of the Service Board's balances to the bank balances were not prepared. A list of outstanding checks was not prepared at the end of each month.

Recommendation – To improve financial accountability and control, the book and bank balances should be reconciled monthly and the reconciliations should be retained. Any variances should be investigated and resolved in a timely manner. A listing of outstanding checks should be prepared each month and retained.

Response – The Administrator began listing the outstanding transactions towards the later part of fiscal year and is currently still doing so. The Treasurer will start doing bank reconciliations each month.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

South Central Iowa Regional E-911 Service Board

Schedule of Findings

Year ended June 30, 2009

Other Findings Related to Required Statutory Reporting:

- (1) Certified Budget – Disbursements during the year ended June 30, 2009 exceeded the amount budgeted.

Recommendation – The budget should have been amended in accordance with Chapter 24 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – This will be watched more closely.

Conclusion – Response accepted.

- (2) 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.

- (3) Travel Expense – No disbursements of Service Board money for travel expenses of spouses of Service Board officials or employees were noted.

- (4) Business Transactions – No business transactions between the Service Board and Service Board officials or employees were noted.

- (5) Bond Coverage – Surety bond coverage of Service Board officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

- (6) Board Minutes – No transactions were found that we believe should have been approved in the Service Board minutes but were not.

- (7) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Service Board's investment policy were noted.

- (8) Depository Resolution – The Service Board was unable to locate an approved depository resolution.

Recommendation – The Service Board should establish and approve a depository resolution.

Response – The recommendation will be taken to the Board.

Conclusion – Response accepted.

South Central Iowa Regional E-911 Service Board

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Manager
Jeana R. Muhlbauer, Assistant Auditor

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

Andrew E. Nielsen, CPA
Deputy Auditor of State