

**CITY OF ROLFE, IOWA
INDEPENDENT ACCOUNTANT'S
EXAMINATION REPORT
FOR THE PERIOD
JULY 1, 2012 THROUGH JUNE 30, 2013**

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Officials

Name	Title	Term Expires
Elected Officials		
Michael Hayek	Mayor	January 1, 2014
Joni Ham	Mayor Pro-Tem/Council Member	January 1, 2014
Al Kuchenreuther	Council Member	January 1, 2016
Lana Pratt	Council Member	January 1, 2014
Joe Ramaekers	Council Member	January 1, 2016
David Thoren	Council Member	January 1, 2014
Appointed Officials		
Angela Schneider	City Clerk	Indefinite
De Sindergard	City Treasurer	January 1, 2015

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A Professional Corporation

Certified Public Accountants and Consultants

Independent Accountant's Examination Report

To the Honorable Mayor and
Members of the City Council
City of Rolfe, Iowa

We have performed an examination of the City of Rolfe pursuant to Chapter 11.6 of the Code of Iowa. Accordingly, we have applied certain tests and procedures to selected accounting records and related information of the City of Rolfe for the period July 1, 2012 through June 30, 2013. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The procedures we performed are summarized as follows:

1. We reviewed selected City Council meeting minutes for compliance with Chapters 21, 372.13(6) and 380 of the Code of Iowa.
2. We reviewed the City's internal controls to determine if proper control procedures are in place and incompatible duties, from a control standpoint, are not performed by the same employee.
3. We reviewed security bond coverage for compliance with Chapter 64 of the Code of Iowa.
4. We obtained and reviewed the City Clerk's financial reports and selected bank reconciliations to determine whether the bank balances properly reconciled to the general ledger account balances and monthly financial reports provided to the City Council.
5. We reviewed City funds for consistency with the City Finance Committee's (CFC) recommended uniform chart of accounts and to determine required funds and fund balances are properly maintained and accurately accounted for.
6. We reviewed the City's fiscal year 2013 Annual Financial Report (AFR) to determine whether it was completed and accurately reflects the City's financial information.
7. We reviewed investments to determine compliance with Chapter 12B of the Code of Iowa.
8. We reviewed compliance with Chapters 12C.2, 12B.10B and 556.1(12) of the Code of Iowa pertaining to required depository resolutions, investment policy and reporting of unclaimed property to the State of Iowa.

9. We reviewed debt, including revenue bonds/notes, and related transactions for proper authorization and compliance with Chapters 75, 384 and 403.9 of the Code of Iowa and to determine whether the debt and related proceeds and repayments were properly accounted for.
10. We reviewed and tested selected receipts for accurate accounting and consistency with the CFC recommended chart of accounts.
11. We reviewed and tested selected disbursements for proper approval, adequate supporting documentation, accurate accounting and consistency with the CFC recommended chart of accounts and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa.
12. We reviewed transfers between funds for propriety, proper authorization and accurate accounting.
13. We reviewed and tested selected payroll and related transactions for propriety, proper authorization and accurate accounting.
14. We reviewed the annual certified budget for proper authorization, certification and timely amendment.

Based on the performance of the procedures described above, we identified various recommendations for the City. Our recommendations are described in the Detailed Recommendations section of this report. Unless reported in the Detailed Recommendations, items of noncompliance were not noted during the performance of the specific procedures listed above.

We were not engaged to and did not conduct an audit of the operations of the City of Rolfe, the objective of which is the expression of opinions on financial statements. Accordingly, we do not express opinions on the City's financial statements. Had we performed additional procedures, or had we performed an audit of the City of Rolfe, additional matters might have come to our attention that would have been reported to you.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Rolfe and other parties to whom the City of Rolfe may report. This report is not intended to be and should not be used by anyone other than these specified parties.

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Algona, Iowa
November 1, 2013

Detailed Recommendations

Detailed Recommendations

For the Period July 1, 2012 through June 30, 2013

- (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. We noted that incompatible duties are being performed by the same person.

Recommendation - We realize that segregation of duties is difficult with a limited number of employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

- (B) **City Council Minutes** - Chapter 372.13(6) of the Code of Iowa requires the City publish a summary of the receipts by fund in the minutes on a monthly basis. We noted that the City did not begin publishing the monthly receipts until May, 2013.

Recommendation - A summary of monthly receipts by fund should be included in the published minutes.

- (C) **Investment Policy** - We reviewed the City's investments and found them to be in compliance with the Code of Iowa Chapter 12B.10 but the City did not have a formal investment policy as required by the Code of Iowa Chapter 12B.10B.

Recommendation - The City should consult with its attorney and pass an investment policy that is in accordance with the Code of Iowa Chapter 12B.10B.

- (D) **Depository Resolution** - The City could not locate a depository resolution.

Recommendation - The City should consult with its attorney and pass a depository resolution that is in accordance with the Code of Iowa Chapter 12C.2.