

**ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY**

Independent Auditors' Reports  
Financial Statement and  
Required Supplementary Information  
Schedule of Findings and Responses

June 30, 2014

# ADLM COUNTIES ENVIRONMENTAL PUBLIC HEALTH AGENCY

## Contents

	<u>Page</u>
Commission Members and Agency Officials .....	1
Independent Auditors' Report.....	2-3
Management's Discussion and Analysis.....	4-6
Financial Statement:	
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets .....	7
Notes to Financial Statement.....	8-10
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	11-12
Schedule of Findings and Responses .....	13-14
Staff.....	15

ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY

Commission Members

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Larry Davis	Chair	Lucas County
Dale Taylor	Vice-Chair	Davis County
Dean Kaster	Secretary	Appanoose County
John Hughes	Member	Monroe County

Officials

Dianna Daly-Husted	Director
--------------------	----------

Offices located in:  
**Burlington**  
(319) 753-9877  
**Cedar Rapids**  
(319) 393-2374  
**Centerville**  
(641) 437-4296  
**Fairfield**  
(641) 472-6171  
**Mt. Pleasant**  
(319) 385-3026



**TD&T CPAs and Advisors, P.C.**  
*Grow With Us*

Offices located in:  
**Muscatine**  
(563) 264-2727  
**Oskaloosa**  
(641) 672-2523  
**Ottumwa**  
(641) 683-1823  
**Pella**  
(641) 628-9411

## Independent Auditors' Report

To the Members of ADLM Counties  
Environmental Public Health Agency

We have audited the accompanying statement of cash receipts, disbursements and changes in cash basis net assets of the ADLM Counties Environmental Public Health Agency, as of and for the year ended June 30, 2014, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statement**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity'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 entity'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 that 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 ADLM Counties Environmental Public Health Agency as of June 30, 2014, and the changes in its cash basis financial position for the year then ended in conformity with the cash basis of accounting described in Note 1.

## **Basis of Accounting**

As described in Note 1, this financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statement. Such information, although not a part of the basic financial statement, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audits were performed for the purpose of forming an opinion on the financial statement of ADLM Counties Environmental Public Health Agency taken as a whole. The accompanying budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2015, on our consideration of the ADLM Counties Environmental Public Health Agency'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 financing 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.

*TD&T CPAs and Advisors, P.C.*

# MANAGEMENT'S DISCUSSION AND ANALYSIS

ADLM Counties Environmental Public Health Agency provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2014. We encourage readers to consider this information in conjunction with the Agency's financial statement, which follows.

## FINANCIAL HIGHLIGHTS

- The Agency's operating receipts increased 7.1% or \$25,313 from fiscal 2013 to fiscal 2014.
- The Agency's operating disbursements increased 15.3% or \$43,995 from fiscal 2013 to fiscal 2014.
- The Agency's cash basis net assets increased 39.5%, or \$40,114, from June 30, 2013 to June 30, 2014.

## USING THIS ANNUAL REPORT

The Agency 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 accounting principles generally accepted in the United States of America. 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 are intended to serve as an introduction to ADLM Counties Environmental Public Health Agency's financial statement. The annual report consists of the financial statement and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statement and provides an analytical overview of the Agency's financial activities.

The Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets presents information on the Agency's operating receipts and disbursements, non-operating receipts and disbursements and whether the Agency's 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.

## FINANCIAL ANALYSIS OF THE AGENCY

### *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 Agency and the disbursements paid by the Agency, 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 Agency's cash basis financial position by analyzing the increase and decrease in cash basis net assets.

Operating receipts are received for contributions from member counties, operating grants, licenses, permits, inspections and sales and other receipts. Operating disbursements are disbursements paid to operate the Agency. Non-operating disbursements are for debt service. A summary of cash receipts, disbursements and changes in cash basis net assets for the years ended June 30, 2014 and 2013 are presented below:

	<u>Changes in Cash Basis Net Assets</u>	
	<u>Year ended June 30,</u> <u>2014</u>	<u>2013</u>
Operating receipts:		
Licenses, permits, inspections and sales	\$ 138,230	152,581
Contributions from member counties	168,000	137,000
State grants	50,228	50,000
Insurance reimbursement	-	591
Reimbursements from ADLM Facilities Management	292	14,417
Rent income	9,000	-
Training	2,815	-
Miscellaneous	<u>11,514</u>	<u>177</u>
Total operating receipts	<u>380,079</u>	<u>354,766</u>
Operating disbursements:		
Salaries and benefits	226,097	198,018
Office supplies, equipment and furniture	22,441	10,005
Travel	24,211	21,145
Telephone	3,728	2,789
Building maintenance, utilities and insurance	17,187	14,473
Well testing and abandonment	16,589	22,397
Food program expenses	88	91
Lead abatement	60	11
Legal services	10,953	14,779
Miscellaneous	<u>9,743</u>	<u>3,394</u>
Total operating disbursements	<u>331,097</u>	<u>287,102</u>
Excess of operating receipts over operating disbursements	<u>48,982</u>	<u>67,664</u>
Non-operating disbursements:		
Community facility revenue bond payments	( 8,868)	( 8,868)
Total non-operating disbursements	( 8,868)	( 8,868)

Net change in cash basis net assets	40,114	58,796
Cash basis net assets beginning of year	<u>101,676</u>	<u>42,880</u>
Cash basis net assets end of year	\$ <u>141,790</u>	<u>101,676</u>
Cash Basis Net Assets		
Unrestricted	\$ <u>141,790</u>	<u>101,676</u>

In fiscal year 2014, operating receipts increased approximately \$25,313, or 7.1%, from fiscal year 2013. In fiscal year 2014, operating disbursements increased approximately \$43,995 or 15.3%. The increase in total disbursements was primarily due to an increase in payroll, office supplies, and equipment and furniture.

**LONG-TERM DEBT**

At June 30, 2014, the Agency had three community facilities revenue bonds outstanding totaling \$159,320. Additional information about the Agency’s bonds is presented in Note 6 to the financial statement.

**ECONOMIC FACTORS**

The current condition of the economy in the state continues to be a concern for Agency officials. Some of the realities that may potentially become challenges for the Agency to meet are:

- Facilities 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.

**CONTACTING THE COMMISSION’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Agency’s finances and to show the Agency’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact ADLM Counties Environmental Public Health Agency, 12307 Highway 5, Moravia, Iowa 52571.

ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY

Statement of Cash Receipts, Disbursements and  
Changes in Cash Basis Net Assets  
Year Ended June 30, 2014

Operating receipts:	
Inspections and sales	\$ 90,065
Contributions from member counties	168,000
State grants for well abandonment and bioterrorism	50,228
Licenses and permits	48,165
Rent income	9,000
Training	2,815
Honey Creek phase 1	3,654
Reimbursements from ADLM Facilities Management	292
Miscellaneous	7,860
Total operating receipts	<u>380,079</u>
Operating disbursements:	
Salaries and benefits	226,097
Office supplies, equipment and furniture	22,441
Travel	24,211
Telephone	3,728
Building maintenance, utilities and insurance	17,187
Well testing and abandonment	16,589
Food program expenses	88
Lead abatement	60
Legal services	10,953
Miscellaneous	9,743
Total operating disbursements	<u>331,097</u>
Excess of operating receipts over operating disbursements	<u>48,982</u>
Non-operating disbursements:	
Community facility revenue bond payments:	
Principal	2,049
Interest	6,819
Net non-operating disbursements	<u>8,868</u>
Net change in cash basis net assets	40,114
Cash basis net assets beginning of year	<u>101,676</u>
Cash basis net assets end of year	\$ <u><u>141,790</u></u>
<b>Cash Basis Net Assets</b>	
Unrestricted	\$ <u><u>141,790</u></u>

See accompanying notes to financial statement.

# ADLM COUNTIES ENVIRONMENTAL PUBLIC HEALTH AGENCY

## Notes to Financial Statement June 30, 2014

### Note 1 – Summary of Significant Accounting Policies

The counties of Appanoose, Davis, Lucas and Monroe entered into a 28E agreement in 2004 to establish a joint Commission composed of one representative from each county. Each member county has one vote.

Pursuant to Chapter 28E of the Code of Iowa, the Commission established and governs the ADLM Counties Environmental Public Health Agency. The primary purpose of the Agency is to enforce all rules and regulations (state and local) pertaining to public health for and on behalf of its member counties.

#### A. Reporting Entity

For financial reporting purposes, ADLM Counties Environmental Public Health Agency has included all funds, organizations, agencies, boards, commissions and authorities. The Agency 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 Agency are such that exclusion would cause the Agency'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 Agency 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 Agency. ADLM Counties Environmental Public Health Agency has no component units which meet the GASB criteria.

#### B. Basis of Presentation

The accounts of ADLM Counties Environmental Public Health Agency 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 Agency maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Agency 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 the financial position and results of operations of the Agency in accordance with accounting principles generally accepted in the United States of America.

(continued)

ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY

Notes to Financial Statement (Continued)  
June 30, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Date of Management Review

Management has evaluated subsequent events through February 17, 2015, the date which the financial statement was available to be issued.

Note 2 – Cash

The Agency'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 depositories to ensure there will be no loss of public funds.

The Agency 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 Agency; 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 Agency had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3.

Note 3 – Pension and Retirement Benefits

The Agency 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 covered salary and the Agency is required to contribute 8.93% for the year ended June 30, 2014, of annual covered payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended June 30, 2014 was \$23,543, equal to the required contribution for the year.

ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY

Notes to Financial Statement (Continued)  
June 30, 2014

Note 4 – Risk Management

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

Note 5 – Community Facility Revenue Bonds

On September 27, 2007, the Agency entered into three community facility revenue bonds with the U.S. Department of Agriculture, totaling \$170,000, to finance a portion of the costs to construct an office building, including the refunding of the community facility revenue bond anticipation note. Principal and interest on the three bonds require equal monthly payments totaling \$739, with interest at 4.25% per annum, commencing on October 27, 2007, and continuing through 2047. During the year ended June 30, 2014, the Agency paid bond principal and interest of \$8,868. The three bonds have an outstanding balance of \$159,320 at June 30, 2014, and are due as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,138	6,730	8,868
2016	2,231	6,637	8,868
2017	2,328	6,540	8,868
2018	2,428	6,440	8,868
2019	2,534	6,334	8,868
Thereafter	<u>147,661</u>	<u>109,405</u>	<u>257,066</u>
Total	\$ <u>159,320</u>	<u>142,086</u>	<u>301,406</u>

Note 6 – Compensated Absences

Agency 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 Agency until used or paid. The Agency's approximate liability for earned vacation at June 30, 2014, was \$8,689. This liability has been computed based on rates of pay in effect at July 1, 2014.

Note 7 – Related Party Transactions

ADLM Counties Environmental Public Health Agency shares Commission members, employees, and office space with ADLM Counties Facilities Management Commission. During the year ended June 30, 2014, \$5,880 was received from ADLM Facilities Management Systems Commission for management fees.

ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY

Independent Auditors' Report on Internal Control  
Schedule of Findings and Responses

June 30, 2014

Offices located in:  
**Burlington**  
(319) 753-9877  
**Cedar Rapids**  
(319) 393-2374  
**Centerville**  
(641) 437-4296  
**Fairfield**  
(641) 472-6171  
**Mt. Pleasant**  
(319) 385-3026



**TD&T CPAs and Advisors, P.C.**  
*Grow With Us*

Offices located in:  
**Muscatine**  
(563) 264-2727  
**Oskaloosa**  
(641) 672-2523  
**Ottumwa**  
(641) 683-1823  
**Pella**  
(641) 628-9411

Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Members of ADLM Counties  
Environmental Public Health Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 ADLM Counties Environmental Public Health Agency, which comprise the financial statement as listed in the table of contents as of and for the year ended June 30, 2014, and have issued our report thereon dated February 17, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered ADLM Counties Environmental Public Health Agency'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 an opinion on the effectiveness of ADLM Counties Environmental Public Health Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of ADLM Counties Environmental Public Health Agency's internal control.

*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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described as 2014-1 in the accompanying schedule of finding and response that we consider to be a significant deficiency in internal control.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether ADLM Counties Environmental Public Health Agency financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the Agency'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 Agency. 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.

### **ADLM Counties Environmental Public Health Agency's Response to Findings**

ADLM Counties Environmental Public Health Agency's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. ADLM Counties Environmental Public Health Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report, a public record by law, is intended solely for the information and use of the members and customers of ADLM Counties Environmental Public Health Agency and other parties to whom the Agency 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 ADLM Counties Environmental Public Health Agency 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.

*T&T CPAs and Advisors, P.C.*

Pella, Iowa  
February 17, 2015

ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY  
Schedule of Findings and Responses  
Year Ended June 30, 2014

The following finding is related to the financial statement which is required to be reported in accordance with generally accepted government auditing standards.

Significant Deficiency

1) **Finding 2014-1: Segregation of Duties** – An important aspect of internal accounting control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that one person has control over each of the following areas for the Agency:

1. Accounting System – record keeping for revenues and expenses, and related reporting.
2. Receipts – collecting, depositing, journalizing and posting.
3. Payroll – changes to master list, preparation and distribution.
4. Bank Reconciliation – preparation and maintenance of accounting records.

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. The Agency should continue to have the manager or another official review receipts, posting, and payroll on a test basis and bank reconciliations monthly.

Response – We will continue to have the manager or another official review receipts, posting, and payroll on a test basis and bank reconciliations monthly.

Conclusion – Response accepted.

Instances of Noncompliance

No matters were reported.

Other Findings Related to Statutory Reporting:

- (A) Official Depositories – The Agency has adopted a resolution naming official depositories and the depository amount was not exceeded.
- (B) Questionable Expenses – No expenses that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- (C) Travel Expense – No expenditures of money for travel expenses of spouses of Agency officials or employees were noted.
- (D) Board Minutes – No transactions were found that we believe should have been approved in the Agency minutes but were not. All meeting minutes were published as required by Chapter 28E.6(3) of the Code of Iowa.

- (E) Deposits and Investments – No instance of non-compliance with the deposits and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa were noted, except that the Agency did not have a written resolution approving the depository. The Agency recognizes this oversight and will have a written resolution approved by the commission at the next meeting.

ADLM COUNTIES ENVIRONMENTAL  
PUBLIC HEALTH AGENCY

Staff

This audit was performed by:

TD&T CPAs and Advisors, P.C.  
1108 Washington St.  
Pella, IA 50219

Personnel:

Courtney L. De Ronde, CPA, Engagement Partner  
Drew Kirkpatrick, CPA, Senior  
Dan Montgomery, Staff