

**CHARITON VALLEY
PLANNING & DEVELOPMENT
COUNCIL OF GOVERNMENTS**

Independent Auditors' Reports
Financial Statement
Schedule of Findings

June 30, 2015

CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS

Contents

	<u>Page</u>
Officials	1
Independent Auditors' Report.....	2-3
Financial Statement:	
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets	4
Notes to Financial Statement.....	5-12
Independent Auditors' 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 <i>Government Auditing Standards</i>	13-14
Schedule of Findings.....	15-16
Staff.....	17

CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS

Officials
Executive Board of Directors

Name and Title

Larry Davis, Chairperson
Neal Smith, Vice Chair
John Hamilton, Treasurer
Denny Amoss, Member
David Dotts, Member

Representing

Lucas County
Appanoose County
Lucas County
Monroe County
Wayne County

Nichole Moore, Executive 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



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(641) 683-1823
Pella
(641) 628-9411

Independent Auditors' Report

To the Executive Board of Directors of the
Chariton Valley Planning & Development Council of Governments:

We have audited the accompanying statement of cash receipts, disbursements and changes in cash basis net assets of the Chariton Valley Planning & Development Council of Governments, Centerville, Iowa, as of and for the year ended June 30, 2015, 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 Chariton Valley Planning & Development Council of Governments as of June 30, 2015, 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 U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

Report on Internal Control Over Compliance

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015 on our consideration of the Chariton Valley Planning & Development Council of Governments' 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.

Pella, Iowa
December 17, 2015

CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS

Statement of Cash Receipts, Disbursements
and Changes in Cash Basis Net Assets
For the Year Ended June 30, 2015

Operating receipts:	
Intergovernmental	\$ 162,662
Transportation matching reimbursements	26,066
Membership dues	18,511
Miscellaneous	3,198
Total operating receipts	<u>210,437</u>
Operating disbursements:	
Salaries and benefits	128,042
Travel	3,563
Legal, accounting, and auditing	13,731
Insurance	5,170
Office equipment and supplies	20,930
Dues and subscriptions	5,302
Program expenses	1,198
Professional services	1,610
Utilities	3,568
Miscellaneous	1,816
Total operating disbursements	<u>184,930</u>
Surplus of operating receipts over operating disbursements	<u>25,507</u>
Non-operating activities:	
Debt service:	
Principal	(18,649)
Interest	(3,836)
Total non-operating activities	<u>(22,485)</u>
Change in cash basis net assets	3,022
Cash basis net assets beginning of year - unrestricted	<u>12,731</u>
Cash basis net assets end of year - unrestricted	<u><u>\$ 15,753</u></u>

See notes to financial statement.

CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS

Notes to Financial Statement Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies

The Chariton Valley Planning & Development Council of Governments (Council) is a council of governments formed July 1, 2007, pursuant to the provisions of Chapter 28E and Chapter 28H of the Code of Iowa. The Council's area of jurisdiction includes Appanoose, Lucas, Monroe and Wayne Counties.

The member County Boards of Supervisors appoint one supervisor from each county to serve on the Executive Board of Directors. During the year ended June 30, 2009, the Council added a member designated as Financial Advisor, a position not authorized by the articles of agreement.

A. Reporting Entity

For financial reporting purposes, the Chariton Valley Planning & Development Council of Governments has included all funds, organizations, boards, commissions, and authorities. It 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 Council are such that exclusion would cause Council'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 Council 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 Council. The Chariton Valley Planning & Development Council of Governments has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

The accounts of the Council are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the operation of 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.

CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS

Notes to Financial Statement Year Ended June 30, 2015

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The accompanying financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. Under the cash basis, the only asset recognized is cash and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis of accounting differs from accounting principles generally accepted in the United States of America primarily because it does not give effect to accounts receivable, accounts payable and accrued items.

Note 2 – Cash and Investments

The Council's deposits at June 30, 2015 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 ensure there will be no loss of public funds.

The Council 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 Council; 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.

Note 3 – Long-Term Debt

A summary of changes in long-term debt for the year ended June 30, 2015 is as follows:

<u>Obligation</u>	<u>Origination Date</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Commercial loan	July 2, 2007	\$ 47,835	-	9,030	38,805
Line of credit	March 26, 2009	4,045	-	4,045	-
Mortgage note	April 16, 2013	<u>20,379</u>	<u>-</u>	<u>5,574</u>	<u>14,805</u>
Total		\$ <u>72,259</u>	<u>-</u>	<u>18,649</u>	<u>53,610</u>

(continued)

CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS

Notes to Financial Statement
Year Ended June 30, 2015

Note 3 – Long-Term Debt (Continued)

On July 2, 2007, the Council entered into a promissory note with First Iowa State Bank for a line of credit not to exceed \$200,000, with interest at 7.125% per annum on the unpaid balance. The line of credit originally matured on January 30, 2008, but was extended several times. On July 18, 2012, the Council refinanced the outstanding balance to a commercial loan with interest at 7.125% per annum and a maturity date of August 17, 2017. The refinanced agreement requires monthly principal and interest payments of \$876 and is unsecured.

On April 16, 2013, the Council entered into a \$26,000 mortgage note in connection with the purchase of a building. The note requires monthly payments of \$279, including interest at 5.25%. Any remaining principal will be due at the maturity date of April 16, 2018. The note is secured by the building that the Council owns, which was purchased for \$26,000.

Future maturities of notes payable are as follows:

<u>Year</u> <u>Ending</u>	<u>Amount</u>
6/30/16	\$ 10,589
6/30/17	33,622
6/30/18	<u>9,399</u>
Total	<u>\$ 53,610</u>

Note 4 – Pension Plan

Plan Description

IPERS membership is mandatory for employees of the Council, except for those covered by another retirement system. Employees of the Council are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

(continued)

CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS

Notes to Financial Statement Year Ended June 30, 2015

Note 4 – Pension Plan (Continued)

Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes a multiplier (based on years of service) and the member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS

Notes to Financial Statement Year Ended June 30, 2015

Note 4 – Pension Plan (Continued)

Contributions

Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actual Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, regular members contributed 5.95 percent of pay and the Council contributed 8.93 percent for a total rate of 14.88 percent. The Council's total contributions to IPERS for the year ended June 30, 2015 were \$9,552.

Collective Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Council's liability for its proportionate share of the collective net pension liability totaled \$51,628. The collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's proportion of the net pension liability was based on the Council's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the Council's collective proportion was .0013018 percent, which was an increase of .000008 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Council's collective pension expense, deferred outflows and deferred inflows totaled \$3,470, \$10,701, and \$19,689, respectively.

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.0 percent per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

(continued)

**CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS**

**Notes to Financial Statement
Year Ended June 30, 2015**

Note 4 – Pension Plan (Continued)

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US equity	23%	6.31
Non US equity	15	6.76
Private equity	13	11.34
Real estate	8	3.52
Core plus fixed income	28	2.06
Credit opportunities	5	3.67
TIPS	5	1.92
Other real assets	2	6.27
Cash	<u>1</u>	(0.69)
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Council will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS

Notes to Financial Statement
Year Ended June 30, 2015

Note 4 – Pension Plan (Continued)

Sensitivity of the Council’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Council’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Council’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease</u> <u>6.5%</u>	<u>Discount Rate</u> <u>7.5%</u>	<u>1% Increase</u> <u>8.5%</u>
Council’s proportionate share of the net pension liability:	\$ <u>97,549</u>	<u>51,628</u>	<u>(12,865)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Note 5 – Risk Pool

The Council is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Council 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 three fiscal years.

Note 6 – Compensated Absences

Council employees accumulate a limited amount of earned but unused vacation and compensatory time hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Council until used or paid. The Council’s approximate liability for earned vacation and compensatory time payable to employees at June 30, 2015, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ 17,125
Compensatory time	<u>250</u>
Total	\$ <u>17,375</u>

CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS

Notes to Financial Statement
Year Ended June 30, 2015

Note 7 – Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. During 2013, the Council received notice from a grantor agency that approximately \$319,000 of previously paid claims were disallowed. Management is working with the Council's legal counsel and insurance provider to determine if the Council will need to repay any portion of the disallowed claims.

Note 8 – Operating Lease

The Council leases certain office equipment under an operating lease which expires in May 2019. Rent expense under the lease totaled \$5,638 for the year ending June 30, 2015.

Future minimum lease payments required under the lease are \$5,638 for each of the years ending June 30, 2016 through June 30, 2018 and \$4,698 for the year ending June 30, 2019.

**CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS**

Independent Auditors' Report on Internal Control
Schedule of Findings

June 30, 2015

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



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(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 Executive Board of Directors of the
Chariton Valley Planning & Development Council of Governments:

We have audited, in accordance with the auditing standards generally accepted in the United State 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 Chariton Valley Planning & Development Council of Governments as of and for the year ended June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated December 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Chariton Valley Planning & Development Council of Governments' internal control over financial reporting (internal control) to determine the audit procedures that are 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 Chariton Valley Planning & Development Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Chariton Valley Planning & Development Council of Governments' internal control.

Our consideration of the internal control over financial reporting 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 certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in findings 1 and 2 of the accompanying schedule of findings to be material weaknesses.

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. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chariton Valley Planning & Development Council of Governments' financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and 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 noncompliance required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about Chariton Valley Planning & Development Council of Governments' operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement of the Chariton Valley Planning & Development Council of Governments. 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.

Chariton Valley Planning & Development Council of Governments' Response to Findings

Chariton Valley Planning & Development Council of Governments' responses to findings identified in our audit are described in the accompanying schedule of findings. Chariton Valley Planning & Development Council of Governments' responses were not subjected to the audit procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

TD&T CPAs and Advisors, P.C.

Pella, Iowa
December 17, 2015

CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS

Schedule of Findings Year Ended June 30, 2015

Findings Related to the Financial Statement:

Material Weaknesses:

- 1) Segregation of Duties over Billings, Collections and Delinquent Accounts – An important aspect of internal accounting control is the segregation of duties among employees to prevent an individual employee from handling duties that are incompatible. We noted that one person has control over billings, collections and delinquent accounts and billings, collections, and delinquent accounts were not always reconciled during the year ended June 30, 2015. An aging of receivables was not prepared or reviewed for delinquent receivables. Limited procedures exist to reconcile amounts collected to the records of billings/remittances.

Recommendation – Policies and procedures should be established to reconcile billings, collections, and delinquent accounts and to determine any receivable write-offs necessary. The Board or a Board-designated independent person should review the reconciliations and monitor delinquent accounts.

Response – The Executive Director will incorporate a chart showing program funding and outstanding disbursements and receipts.

Conclusion – Response accepted.

- 2) Preparation of Financial Statement– During our audit material audit adjustments were needed to reclass revenue. The majority of the Council’s revenue was posted to other income rather than being posted to its proper account, i.e. (service income, local dues, etc.).

Recommendation – We recommend that deposits are posted to their proper account, so that an audit adjustment is not needed to reclass revenue.

Response – The Council will add proper account numbers to the summary page of each deposit before it goes to their outside bookkeeper for recording.

Conclusion – Response accepted.

CHARITON VALLEY PLANNING &
DEVELOPMENT COUNCIL OF GOVERNMENTS

Schedule of Findings (Continued)
Year Ended June 30, 2015

Instances of Noncompliance:

No matters were noted.

Other Findings Related to Statutory Reporting:

- (A) 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.
- (B) Travel Expense – No expenditures of money for travel expenses of spouses of Council officials or employees were noted.
- (C) Business Transactions – No business transactions between the Council and Council officials and employees were noted.
- (D) Board Minutes – No transactions were found that we believe should have been approved in the commission minutes but were not.
- (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 and the Council’s investment policy were noted.

CHARITON VALLEY PLANNING & DEVELOPMENT COUNCIL OF GOVERNMENTS

Staff

This audit was performed by:

Courtney L. De Ronde, CPA, Engagement Partner
Glen Swanson, CPA, Manager
Dan Montgomery, CPA, Senior Staff
Courtney Bailey, Staff