

**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 Board of Trustees
Dukes County Pooled OPEB Trust Fund

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 statements of the Dukes County Pooled OPEB Trust Fund as of June 30, 2014, and for the period from inception (November 1, 2010) through June 30, 2014, and the related notes to the financial statements and have issued our report thereon dated August 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Dukes County Pooled OPEB Trust Fund's 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 statements, but not for the purpose of expressing an opinion on the effectiveness of the Dukes County Pooled OPEB Trust Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Dukes County Pooled OPEB Trust Fund's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Responses as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Dukes County Pooled OPEB Trust Fund's financial statements are free from 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*.

Trust's Response to Finding

The Dukes County Pooled OPEB Trust Fund's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Dukes County Pooled OPEB Trust Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements 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 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.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

Boston, Massachusetts
August 4, 2015

DUKES COUNTY POOLED OPEB TRUST FUND
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2014

2014-001 *Investments and Net Investment Income*

Criteria

Management is responsible for establishing and maintaining internal controls over financial reporting and for the fair presentation of the net position, changes in net position and disclosures in the financial statements, in conformity with U.S. generally accepted accounting principles (GAAP).

Condition and Context

Procedures are not in place to record investments and net investment income (net appreciation/(depreciation) of investments, interest and dividends, and investment fees) in the general ledger. As a result, investments and net investment income were understated at June 30, 2014. Proper internal controls require all investment activity be recorded in the general ledger and reconciled in a timely manner.

Effect

Investments and net investment income were understated by \$518,593.

Cause

Procedures are not in place to record investments and net investment income in the general ledger.

Recommendation

We recommend procedures and related controls be implemented to report and reconcile all investment balances and activity monthly.

Views of responsible officials and planned corrective actions

Subsequent to June 30, 2014, the Trust has instituted procedures to accurately account for and record net investment income and net investment expenses.