

Des Moines County Regional Solid Waste Commission

**Independent Auditor's Reports
Basic Financial Statements and
Required Supplementary Information
Schedule of Findings**

June 30, 2007

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**Des Moines County Regional Solid Waste Commission
Commission Members
June 30, 2007**

<u>Member</u>	<u>Representing</u>
Bill Ell	Burlington
Don Fitting	Burlington
Bruce Slagle	Burlington
Hans Trousil	West Burlington
Leroy Lippert	Danville
Paul Lorber	New London
Julie Tribbey	Mediapolis
Carole Beck	Des Moines County
Brent Schleisman	Mt. Pleasant
Bob Evans	Morning Sun
Larry Jennings	Winfield
No representative	Middletown
No representative	Salem
No representative	Mt. Union
No representative	Westwood
No representative	Rome



CPA ASSOCIATES PC
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Commission Members
Des Moines County Regional Solid Waste Commission
Burlington, Iowa

We have audited the accompanying financial statements of Des Moines County Regional Solid Waste Commission as of and for the year ended June 30, 2007. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Commission's 2006 financial statements and, in our report dated October 30, 2006, we expressed an unqualified opinion on those financial statements.

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 and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Des Moines County Regional Solid Waste Commission at June 30, 2007, and the changes in its financial position and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2007 on our consideration of Des Moines County Regional Solid Waste Commission'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 on pages 4 through 8 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included on page 21 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audits of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the aforementioned general purpose financial statements taken as a whole.

CPA Associates PC

November 8, 2007

Des Moines County Regional Solid Waste Commission Management's Discussion and Analysis

Des Moines County Regional Solid Waste Commission provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the Commission's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- The Commission's operating revenues increased 11%, or \$269,174, from fiscal 2006 to fiscal 2007. Gate receipts increased and waste management fees did not change. The slight increase in operating revenue is partly attributable to three large demolition projects in Burlington – two school buildings and The Manor project. In addition, the scale operator reports exercising greater scrutiny over load quality of purported Construction and Demolition (C&D) debris, resulting in some C&D loads being reclassified as Municipal Solid Waste (MSW) loads and subject to a higher gate fee, and also resulting in less contamination in the C&D disposal area.
- The Commission's net assets increased 5%, or \$342,096 from fiscal 2006 to fiscal 2007.
- In order to comply with forthcoming rule changes governing the design and operation of landfills, the Commission initiated general revenue bonding of \$3,085,000 to cover an accelerated schedule for new cell construction. The bonds were issued subsequent to June 30, 2007. Capital expenditures in fiscal 2007 included approximately \$400,000 expended, prior to final bond issuance, for liner construction materials for a new cell.

USING THIS ANNUAL REPORT

The Des Moines County Regional Solid Waste Commission is a single Enterprise Fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis is intended to serve as an introduction to Des Moines County Regional Solid Waste Commission's basic financial statements. The annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Commission's financial activities.
- The Statement of Net Assets presents information on the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.
- The Statement of Revenues, Expenses and Changes in Net Assets is the basic statement of activities for proprietary funds. This statement presents information on the Commission's operating revenues and expenses, non-operating revenues and expenses and whether the Commission's financial position has improved or deteriorated as a result of the year's activities.

- The Statement of Cash Flows presents the change in the Commission's cash and cash equivalents during the year. This information can assist the user of the report in determining how the Commission financed its activities and how it met its cash requirements.
- The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL ANALYSIS OF THE COMMISSION

Financial Position Summary

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. The Commission's net assets exceeded liabilities by \$7,488,975 at June 30, 2007, a \$342,096 increase from 2006.

A summary of the Commission's net assets at June 30, 2007 and 2006 is shown below:

	2007	2006
Assets:		
Current assets	\$ 2,190,655	\$ 1,571,616
Noncurrent assets	25,000	-
Investments	-	241,086
Restricted CD and investments	905,057	838,879
Capital assets	<u>5,280,358</u>	<u>5,290,821</u>
Total assets	<u>8,401,070</u>	<u>7,942,402</u>
Liabilities:		
Current liabilities	268,666	114,953
Noncurrent liabilities	<u>643,429</u>	<u>680,570</u>
Total liabilities	<u>912,095</u>	<u>795,523</u>
Net Assets:		
Invested in capital assets, net of related debt	4,977,314	4,949,778
Restricted	905,057	838,879
Unrestricted	<u>1,606,604</u>	<u>1,358,222</u>
Total net assets	<u>\$ 7,488,975</u>	<u>\$ 7,146,879</u>

The largest portion of the Commission's net assets each year represents its investment in capital assets (e.g., land, buildings, improvements, and equipment), less the related indebtedness outstanding used to acquire those capital assets. The Commission also has net assets that are restricted for closure and postclosure care. State and federal laws and regulations require the Commission to place a final cover on the landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. The remaining net assets are the unrestricted net assets that can be used to meet the Commission's obligations as they come due.

Summary of Operations and Changes in Net Assets

Operating revenues are received for gate fees from accepting solid waste, waste management fees from member governments, fees for acceptance of household hazardous waste and from the sale of recyclable materials collected. Operating expenses are paid to operate the landfill, recycling and household hazardous waste programs. Non-operating revenues and expenses are investment return, grant and other miscellaneous income and interest expense. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

A summary of revenues, expenses and changes in net assets for the year ended June 30, 2007 and 2006 is presented below:

	2007	2006
Operating revenue:		
Gate receipts	\$ 1,864,236	\$ 1,620,519
Recycling	274,188	290,455
Waste management fees	509,413	509,720
Other operating revenues	<u>79,516</u>	<u>37,485</u>
Total operating revenue	<u>2,727,353</u>	<u>2,458,179</u>
Operating expenses:		
Salaries and benefits	1,154,664	1,132,536
Repairs and maintenance	140,447	153,428
Insurance	61,174	50,313
Regulatory assistance and leachate control	84,976	100,012
Garbage and drop off collection	17,874	18,697
Wood grinding & tire disposal	23,442	19,988
Occupancy	47,203	47,724
Telephone	8,827	8,785
Supplies, furniture and equipment	209,238	208,503
Contract service	119,291	141,733
DNR tonnage fees	105,235	97,289
Travel and training	13,915	14,339
Recycling rebates	34,642	21,447
Depreciation	578,086	575,901
Landfill closure and postclosure care	(11,647)	11,218
Other operating expenses	<u>46,812</u>	<u>44,728</u>
Total operating expenses	<u>2,634,179</u>	<u>2,646,641</u>
Operating income (deficit)	93,174	(188,462)
Non-operating revenues/(expenses), net	<u>248,922</u>	<u>25,601</u>
Increase (decrease) in Net Assets	<u>\$ 342,096</u>	<u>\$ (162,861)</u>

The Statement of Revenues, Expenses and Changes in Net Assets reflects an increase in the net assets at the end of the fiscal year.

In fiscal 2007, operating revenues increased by \$269,174, or 11%, primarily as a result of gate fees increasing by \$243,717. Sales of recyclable materials decreased by \$16,267 due primarily to the loss of the Pepsi PET processing account. Operating expenses were slightly reduced due to the reduction of landfill closure and postclosure care estimates, reduction in contractual services, and reduction in leachate control and well sampling versus fiscal 2006. Operating increases in regulatory assistance and recycling rebates were outpaced by these operational reductions.

Non-operating revenues/(expenses) increased by \$223,321 in fiscal 2007, primarily due to improved investment returns on the closure and postclosure accounts, and settlement income. The Commission experienced a small increase in sales at Recycled-2-You.

Statement of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related financing and investing activities. Cash provided by operating activities includes gate fees and assessments reduced by payments to employees and to suppliers. Cash used from capital and related financing activities includes lease payments and the purchase of capital assets. Cash used by investing activities includes purchase of certificates of deposit and reinvestment of interest income.

CAPITAL ASSETS

At June 30, 2007, the Commission had \$5,280,358 invested in capital assets, net of accumulated depreciation of \$3,221,110. Depreciation charges totaled \$578,086 for fiscal year 2007. More detailed information about the Commission's capital assets is presented in the financial statement footnotes.

LONG-TERM LIABILITIES

At June 30, 2007, the Commission had \$303,044 in debt outstanding, a decrease of \$38,000 from 2006. The debt consists of loans payable to the Iowa Department of Natural Resources for Solid Waste Alternatives Program projects. The Commission has also recorded a liability of \$365,879 for closure and postclosure care costs, a \$11,647 decrease from 2006. Additional information about the Commission's long term liabilities is presented in the financial statement footnotes.

ECONOMIC FACTORS

Des Moines County Regional Solid Waste Commission was able to improve its financial position during the current fiscal year, although several challenges continue to face the Commission, such as:

- Increasing regulatory burden, combined with less predictable interpretation and implementation of rules by state regulators is likely to require more frequent adjustments to construction activities and schedules.
- Facilities at the Commission 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.
- Annual deposits required to be made to closure and postclosure accounts are based on constantly changing estimates, the number of tons of solid waste received at the facility and fluctuations in the fair value of long term investments.

The Commission anticipates the current fiscal year will see the finalization of new state landfill regulations, which will add expense to both operations and construction. The Commission has attempted to proactively adjust gate rates to accommodate these regulatory changes, but further adjustment may become necessary.

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 Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to Des Moines County Regional Solid Waste Commission, 1818 West Burlington Avenue, Burlington, Iowa 52601.

Des Moines County Regional Solid Waste Commission
Statement of Net Assets
June 30, 2007

Assets

Current assets:

Cash	\$ 726,691
Certificates of deposit	1,189,589
Accounts receivable	241,688
Prepaid expenses	16,055
Accrued interest income	9,346
Inventory, at cost	<u>7,286</u>
Total current assets	<u>2,190,655</u>

Noncurrent assets:

Accounts receivable	25,000
Restricted certificates of deposit	9,785
Restricted investments, at fair value	895,272
Capital assets (net of accumulated depreciation)	<u>5,280,358</u>
Total noncurrent assets	<u>6,210,415</u>
Total assets	<u>8,401,070</u>

Liabilities

Current liabilities:

Accounts payable	149,511
Accrued expenses	81,155
Loan payable	<u>38,000</u>
Total current liabilities	<u>268,666</u>

Long-term liabilities:

Loans payable, net of current portion	265,044
Accrued termination benefits	12,506
Landfill closure and postclosure care	<u>365,879</u>
Total non-current liabilities	<u>643,429</u>
Total liabilities	<u>912,095</u>

Net Assets

Invested in capital assets, net of related debt	4,977,314
Restricted for:	
Closure	485,057
Postclosure care	420,000
Unrestricted	<u>1,606,604</u>
Total net assets	<u>\$ 7,488,975</u>

See notes to financial statements.

Des Moines County Regional Solid Waste Commission
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2007 with Comparative Totals for 2006

	2007	2006 Comparative Totals
Operating revenues		
Gate receipts	\$ 1,864,236	\$ 1,620,519
Drop-off reimbursement	14,435	14,185
Recycling	274,188	290,455
Hazardous waste fees and reimbursements	65,081	23,300
Waste management fees	<u>509,413</u>	<u>509,720</u>
Total operating revenues	<u>2,727,353</u>	<u>2,458,179</u>
Operating expenses		
Salaries	810,242	791,417
Payroll taxes	108,324	111,322
Employee benefits	236,098	229,797
Worker's compensation insurance	29,617	21,925
Safety	10,658	11,906
Inspection and regulatory assistance	65,202	36,957
Garbage and drop-off collection	17,874	18,697
Wood grinding and tire disposal	23,442	19,988
Leachate control and well sampling	19,774	63,055
Repairs and maintenance	140,447	153,428
Utilities	47,203	47,724
Telephone	8,827	8,785
Insurance	31,557	28,388
Supplies	170,032	162,638
Advertising and public education	33,434	30,436
Furniture and equipment	39,206	45,865
Contract service	119,291	141,733
DNR tonnage fees	105,235	97,289
Shipping	840	1,110
Travel and training	13,915	14,339
Sales tax	1,880	620
Tire program	-	656
Recycling rebates	34,642	21,447
Depreciation	578,086	575,901
Landfill closure and postclosure care	14,767	11,218
Change in closure and postclosure care estimate	<u>(26,414)</u>	<u>-</u>
Total operating expenses	<u>2,634,179</u>	<u>2,646,641</u>
Operating (deficit)/income	<u>93,174</u>	<u>(188,462)</u>
Non-operating revenues (expenses)		
Investment return	120,431	(3,540)
Interest expense	(3,708)	(3,708)
'Recycled 2 You' net retail sales	1,113	395
Gain/(loss) on sale of equipment	-	(7,307)
Grant income	46,249	-
Miscellaneous income	<u>84,837</u>	<u>39,761</u>
Net non-operating revenues	<u>248,922</u>	<u>25,601</u>
Change in net assets	342,096	(162,861)
Net assets, beginning of year	<u>7,146,879</u>	<u>7,309,740</u>
Net assets, end of year	<u>\$ 7,488,975</u>	<u>\$ 7,146,879</u>

See notes to financial statements.

Des Moines County Regional Solid Waste Commission
Statement of Cash Flows
Year Ended June 30, 2007

Cash Flows from Operating Activities	
Cash received from gate fees	\$ 1,849,300
Cash received from waste management fees	507,784
Cash received from other operating receipts	345,918
Cash payments to suppliers for goods and services	(1,119,827)
Cash payments to employees for services	<u>(791,011)</u>
Net cash provided by operating activities	<u>792,164</u>
Cash Flows from Capital and Related Financing Activities	
Cash received from grants and miscellaneous income	78,888
Principal payments on loan	(38,000)
Interest payments on loan	(3,708)
Purchase of fixed assets	<u>(567,620)</u>
Net cash used by capital and related financing activities	<u>(530,440)</u>
Cash Flows from Investing Activities	
Redemption of certificates of deposit and investments	680,324
Purchase of certificates of deposit and investments	(537,545)
Interest income	<u>48,693</u>
Net cash provided by investing activities	<u>191,472</u>
Net increase in cash and cash equivalents	453,196
Cash and cash equivalents, beginning of year	<u>273,495</u>
Cash and cash equivalents, end of year	\$ <u>726,691</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ <u>93,174</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	578,086
Landfill closure and postclosure care accrual	(11,647)
Changes in assets and liabilities:	
Increase in accounts receivable	(24,352)
Increase in prepaid expenses	(8,786)
Increase in inventory	(530)
Increase in accounts payable	146,978
Increase in accrued expenses	<u>19,241</u>
Total adjustments	<u>698,990</u>
Net cash provided by operating activities	\$ <u>792,164</u>

Cash and cash equivalents consists of cash in checking accounts.

See notes to financial statements.

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Des Moines County Regional Solid Waste Commission was formed in 1990 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to operate the sanitary landfill in Des Moines County and to provide member cities and counties with solid waste disposal and resource recovery projects.

The Commission is composed of sixteen representatives from fifteen member cities and one representative from Des Moines County. The member cities are Burlington, West Burlington, Middletown, Danville, New London, Mediapolis, Salem, Mt. Pleasant, Morning Sun, Mt. Union, Winfield, Westwood, and Rome. The representatives are appointed by the political subdivisions to be represented. Each member is entitled to one vote per representative, except for Middletown, Salem, Mt. Union, Westwood, and Rome, which have elected to be planning members.

The Commission's financial statements are prepared in conformity with U.S. generally accepted accounting principles as described by the Governmental Accounting Standards Board.

Reporting Entity

For financial reporting purposes, the Commission has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The Commission 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 Commission are such that exclusion would cause the Commission'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 Entity 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 Entity. Des Moines County Regional Solid Waste Commission has no component units which meet the Governmental Accounting Standards Board criteria.

Basis of Presentation

The accounts of Des Moines County Regional Solid Waste Commission are primarily organized as an Enterprise Fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

The Commission applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The Commission distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Commission's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Investments

The following accounting policies are followed in preparing the Statement of Net Assets:

Cash Equivalents - The Commission considers all short-term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months. Cash investments not meeting the definition of cash equivalents at June 30, 2007 included certificates of deposit of \$1,199,374.

Accounts Receivable - Accounts receivable at June 30, 2007 consist of receivables for landfill fees, recycling fees, waste management fees, and reimbursements.

Inventory - Inventory is accounted for at the lower of cost or market, using the first-in, first-out method.

Restricted Investments - Investments set aside for payment of closure and postclosure care costs are classified as restricted

Capital Assets - Capital assets are accounted for at historical cost. Depreciation of all exhaustible capital assets is charged as an expense against operations. The cost of repair and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

Capital assets are defined by the Commission as assets with initial cost in excess of \$2,500 and an estimated useful life in excess of one year. Capital assets of the Commission are depreciated using the straight-line method over the following estimated useful lives:

Building	5-30 years
Equipment, furniture & fixtures	3-15 years
Landfill expansion/improvement	15-26 years

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Compensated Absences - Commission employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. The Commission's liability for accumulated vacation is reported as an accrued expense and has been computed based on rates of pay in effect at June 30, 2007.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Summarized Financial Information for 2006

The financial information for the year ended June 30, 2006, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Note 2. Cash and Investments

The Commission's deposits in banks at June 30, 2007 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 depositors to insure there will be no loss of public funds.

The Commission 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 Commission; 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. Investments are reported at fair value, which is the last reported sales price.

The Commission's investments are categorized to give an indication of the level of risk assumed by the Commission at year end. The Commission's investments are all category 1, which means that the investments are insured or registered or the securities are held by the Commission or its agent in the Commission's name.

As of June 30, 2007, the Commission has invested in Certificates of Deposit as follows:

F&M Bank & Trust	4.00 %	maturing	7/4/2007	\$	280,245
Danville Savings Bank	4.40 %	maturing	7/2/2007		136,958
Danville Savings Bank	4.65 %	maturing	6/2/2008		291,116
Danville Savings Bank	5.00 %	maturing	1/25/2008		227,270
Danville Savings Bank	5.00 %	maturing	12/19/2007		210,000
Burlington Bank & Trust	4.85 %	maturing	7/26/2007		9,785
Burlington Bank & Trust	4.85 %	maturing	11/18/2007		<u>44,000</u>
					1,199,374
Less CD's restricted for closure and postclosure care					<u>(9,785)</u>
					<u>\$ 1,189,589</u>

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 2. Cash and Investments (continued)

At June 30, 2007, the Commission held investments in U.S. Treasury Bond and Financing Corporation Zero Coupon stripped interest payments as follows:

Restricted for landfill closure and postclosure financial assurance:

U.S. Treasury Bond stripped interest payment	maturing	August 15, 2016	\$ 547,242
Financing Corporation Zero Coupon stripped interest payments	maturing	February 8, 2014 to December 6, 2018	<u>348,030</u>
Total investments at fair value			<u>\$ 895,272</u>

Note 3. Accounts Receivable

Components of accounts receivable consist of the following:

Current accounts receivable:

Landfill tipping fees	\$ 121,676
Waste Management fees	46,394
Recycling	31,140
Household Hazardous Waste program receivables	17,478
Current portion of settlement receivable	<u>25,000</u>
	<u>\$ 241,688</u>

Long-term accounts receivable:

Long-term portion of settlement receivable	<u>\$ 25,000</u>
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Note 4. Capital Assets

A summary of capital assets at June 30, 2007 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ <u>208,413</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>208,413</u>
Capital assets, being depreciated:				
Building	2,295,022	23,208	-	2,318,230
Equipment, furniture and fixtures	2,811,900	112,946	(41,126)	2,883,720
Landfill expansion/improvement	<u>2,659,639</u>	<u>431,466</u>	<u>-</u>	<u>3,091,105</u>
Total capital assets being depreciated	7,766,561	567,620	(41,126)	8,293,055
Less accumulated depreciation	<u>2,684,150</u>	<u>578,086</u>	<u>(41,126)</u>	<u>3,221,110</u>
Total capital assets being depreciated, net	<u>5,082,411</u>	<u>(10,466)</u>	<u>-</u>	<u>5,071,945</u>
Capital assets, net	<u>\$ 5,290,824</u>	<u>\$ (10,466)</u>	<u>\$ -</u>	<u>\$ 5,280,358</u>

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 4. Capital Assets (continued)

Des Moines County donated property to the Commission during the fiscal year ended June 30, 1991. This property has been recorded at the value carried on the records of the County as follows:

Land	\$ 166,550
Building	379,477
Equipment, furniture & fixtures	<u>20,878</u>
	<u>\$ 566,905</u>

Note 5. Pension and Retirement Benefits

The Commission 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.

Plan members are required to contribute 3.70% of their annual salary and the Commission is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The Commission's contribution to IPERS for the years ended June 30, 2007, 2006, and 2005 were \$45,473, \$44,754, and \$42,786, respectively, equal to the required contributions for each year.

Note 6. Termination Benefits

The Commission Sick Leave policy allows certain employees to receive one half of their unused accumulated sick leave as compensation immediately upon elective retirement. To qualify, employees must have worked for the Commission for at least fifteen years and reached the age of fifty-five. As of June 30, 2007, one employee qualifies for the benefit.

Note 7. Closure and Postclosure Care Cost

To comply with federal and state requirements, the Commission is required to complete a monitoring system plan and a closure/postclosure plan to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and post-closure monitoring functions as a condition for the right to operate the landfill in the current period. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate for thirty years.

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 7. Closure and Postclosure Care Cost (continued)

Governmental Accounting Standards Board Statement No. 18, requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs would consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes to inflation or deflation, technology, or applicable laws or regulations. Although closure and postclosure costs will be paid as the landfill closes individual cells and near or after the date that the landfill stops accepting waste, the Commission reports a portion of these closure and post-closure care costs as a liability based on landfill capacity used as of each statement of net assets date.

The \$365,879 reported as estimated liability for landfill closure and postclosure care costs at June 30, 2007, represents the cumulative amount reported to date based on the use of 25% of the estimated permitted capacity of the landfill. The Commission will recognize the remaining estimated cost of closure and postclosure care of \$1,388,060 as the remaining estimated permitted capacity is filled. The estimated remaining life of the permitted capacity is 62 years as of June 30, 2007.

An adjustment was made to the estimated remaining capacity at the landfill which reduced the estimated liability for landfill closure and postclosure care by \$26,414. The landfill is getting better compaction than earlier estimates and alternative daily cover (tarps) is being used which does not require the use of dirt for daily cover. In addition, management is performing regular compaction studies which result in a more accurate estimate than in prior years.

Chapter 455B.306(8)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The Commission has begun accumulating resources to fund these costs, and at June 30, 2007, assets of \$905,057 are restricted for these purposes, of which \$485,057 is for closure and \$420,000 is for postclosure care. They are reported as restricted assets and restricted net assets on the statement of net assets.

Also, pursuant to Chapter 567-111.3(3) of the Iowa Administrative Code (IAC), since the estimated closure and postclosure care costs are not fully funded, the Commission is required to demonstrate financial assurance for the unfunded costs. The Commission uses the local government financial test as their assurance instrument.

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 7. Closure and Postclosure Care Cost (continued)

Chapter 567-111.6(6) of the IAC allows a government to choose the local government financial test mechanism to demonstrate financial assurance for an amount equal to 43% of the local government's total annual revenue. An alternate financial instrument must be obtained for costs that exceed this limit. The Commission has chosen the dedicated fund mechanism, under Chapter 567-111.8(7) of the IAC, as their secondary financial assurance mechanism. The Commission demonstrates financial assurance through the application of tests required under the local government financial test mechanism and the use of funds held in a local dedicated fund to satisfy the closure and postclosure care account requirements. Accordingly, the landfill is not required to establish closure and postclosure care accounts in addition to the accounts established to comply with the combined local governmental financial test and dedicated fund financial assurance mechanisms.

Note 8. Commitments and Contingencies

The Commission filed a lawsuit against a competing agency and a commercial waste hauler. The Commission contends that the commercial waste hauler exported significant quantities of solid waste generated in the Commission's planning area to an Iowa landfill outside the planning area, in violation of Iowa law. The Commission settled with the competing agency prior to June 30, 2007 for \$75,000, which will be received over a three year period. The Commission settled with the commercial waste hauler on September 10, 2007. The settlement agreement requires the hauler to pay the Commission \$28,840, representing 800 tons of waste at the posted gate rate. The agreement calls for the hauler to deposit 800 tons of municipal solid waste generated outside of the Commission's service area by December 30, 2007.

Des Moines County has agreed to issue General Obligation Capital Loan Notes dated October 1, 2007 with a par amount of \$3,085,000 to be used by the Commission for cell construction. The notes mature with annual debt service payments ending June 1, 2017. The Commission is responsible for principal, interest and issuance costs related to the notes.

The Commission has outstanding commitments for cell and building construction projects at the sanitary landfill totaling \$1,728,000.

Note 9. Loans payable

Change in loans payable for the year ended June 30, 2007 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
SWAP loan, recycling center expansion	\$ 248,000	\$ -	\$ (38,000)	\$ 210,000	\$ 38,000
SWAP loan, glass pulverizer	<u>93,044</u>	<u>-</u>	<u>-</u>	<u>93,044</u>	<u>-</u>
	<u>\$ 341,044</u>	<u>\$ -</u>	<u>\$ 38,000</u>	<u>\$ 303,044</u>	<u>\$ 38,000</u>

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 9. Loans payable (continued)

The Commission was selected by the Iowa Department of Natural Resources to participate in a Solid Waste Alternatives Program project. The Commission has received two awards. The first award provided \$400,000 for recycling center expansion in the form of a forgivable loan of \$20,000, a zero interest loan of \$150,000, and 3% interest loan of \$230,000. The loan is payable in quarterly payments of \$10,427 ending July 15, 2012.

The second award provides \$109,500 for the purchase of a glass pulverizer in the form of a forgivable loan of \$41,500 and a zero interest loan of \$68,000. The Commission has drawn \$93,044 on this loan. The non-forgivable portion of the loan is due to be repaid January 15, 2008. The future maturities of the loan repayments are as follows:

	Principal	Interest
Year ended June 30, 2008	\$ 38,000	\$ 3,708
Year ended June 30, 2009	38,000	3,708
Year ended June 30, 2010	38,000	3,708
Year ended June 30, 2011	38,000	3,708
Thereafter (includes \$61,500 forgivable loans)	<u>151,044</u>	<u>3,707</u>
	<u>\$ 303,044</u>	<u>\$ 18,539</u>

Note 10. Solid Waste Tonnage Fees Retained

The Commission restricts and uses those portions of solid waste tonnage fees retained in accordance with Chapter 455B.310 of the Code of Iowa. As of June 30, 2007, there were no unspent amounts retained by the Commission that were required to be restricted.

Note 11. Unrestricted Net Assets Designated by the Commission

Remediation/Closure

As of June 30, 2007, the Commission had designated \$253,849 for landfill closure and postclosure care, and corrective action in addition to the financial assurance deposits required by State regulations.

Equipment Replacement

As of June 30, 2007, the Commission had designated \$270,641 for replacement of equipment used at the landfill.

Note 12. Jointly Governed Organization

The Commission is a participant in the Joint Safety Committee (JSC). The JSC is a cooperative effort by the Commission, the City of Burlington, Des Moines County and the Burlington Municipal Waterworks to monitor and improve on-the-job safety conditions and to assist in complying with OSHA regulations. The Commission currently provides one member of the six member Committee. The Commission contributed \$5,145 in fiscal year 2007 to the JSC for operating expenses.

Des Moines County Regional Solid Waste Commission
Notes to Financial Statements

Note 13. Risk Management

The Des Moines County Regional Solid Waste Commission 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 membership in government risk sharing pools, as allowed by Chapter 670.7 of the Code of Iowa.

Des Moines County Regional Solid Waste Commission is a member in the Iowa Communities Assurance Pool and the Iowa Municipalities Workers' Compensation Association (Pools). The Pools are local government risk-sharing pools whose members include various governmental entities throughout the State of Iowa. The Pools provide coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, boiler/machinery and workers' compensation. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Iowa Communities Assurance Pool (Pool) fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pools's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Iowa Communities Assurance Pool (Pool) uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. In the event that a casualty claim or series of claims exceeds the amount of risk sharing protection provided by the members' risk-sharing certificate, or in the event a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. Settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Member premiums paid to the Iowa Municipalities Compensation Association (IMWCA) are based on the rates approved annually by the Iowa Insurance Commissioner and fund all administrative expenses, claims, claims expenses and reinsurance expenses. The IMWCA Board of Trustees approves a rating plan each year that applies discounts or surcharges to each member's premium based on its past loss experience. These discounts or surcharges are in addition to each member's experience modification factor. The membership agreement includes the provision that each member will be responsible for its pro-rata share of any workers' compensation or related employer liability claims which exceed the IMWCA's resources available to pay such claims. Members have never been assessed by the IMWCA and the IMWCA fund balance is in excess of all expenses funded by premiums as well as reserves for future known and unknown claims.

**Des Moines County Regional Solid Waste Commission
Supplementary Schedule of Revenue and Expenses
Year Ended June 30, 2007**

	<u>Landfill</u>	<u>Recycling Processing</u>	<u>Recycling Collection</u>	<u>Household Hazardous Waste and Building Materials</u>	<u>General and Admin</u>	<u>Total</u>
Operating revenues						
Gate receipts	\$ 1,864,236	\$ -	\$ -	\$ -	\$ -	\$ 1,864,236
Drop-off reimbursement	-	-	14,435	-	-	14,435
Recycling	-	274,188	-	-	-	274,188
Hazardous waste fees and reimbursements	-	-	-	65,081	-	65,081
Waste management fee	-	274,685	170,316	64,412	-	509,413
Total operating revenues	<u>1,864,236</u>	<u>548,873</u>	<u>184,751</u>	<u>129,493</u>	<u>-</u>	<u>2,727,353</u>
Operating expenses						
Salaries	269,779	144,294	150,629	52,446	193,094	810,242
Payroll taxes	36,909	17,246	21,685	6,538	25,946	108,324
Employee benefits	77,948	36,437	60,229	15,003	46,481	236,098
Worker's compensation insurance	11,888	7,279	7,323	2,445	682	29,617
Safety	3,409	2,194	2,933	568	1,554	10,658
Inspection and regulatory assistance	65,202	-	-	-	-	65,202
Garbage and drop-off collection	140	3,180	14,554	-	-	17,874
Wood grinding and tire disposal	23,442	-	-	-	-	23,442
Leachate control and well sampling	19,774	-	-	-	-	19,774
Repairs and maintenance	107,276	20,569	10,843	1,759	-	140,447
Utilities	21,075	23,469	-	2,659	-	47,203
Telephone	-	-	860	2,300	5,667	8,827
Insurance	-	-	-	1,310	30,247	31,557
Supplies	125,869	13,085	11,280	7,577	12,221	170,032
Advertising and public education	-	-	-	7,964	25,470	33,434
Furniture and equipment	36,997	2,209	-	-	-	39,206
Contract service	9,654	651	9,317	8,919	90,750	119,291
DNR tonnage fees	105,235	-	-	-	-	105,235
Shipping	-	840	-	-	-	840
Travel and training	1,319	-	-	4,987	7,609	13,915
Sales tax	1,880	-	-	-	-	1,880
Recycling rebates	-	34,642	-	-	-	34,642
Depreciation	428,541	98,416	31,642	15,192	4,295	578,086
Landfill closure and postclosure	14,767	-	-	-	-	14,767
Change in closure and postclosure care estimate	(26,414)	-	-	-	-	(26,414)
Total operating expenses	<u>1,334,690</u>	<u>404,511</u>	<u>321,295</u>	<u>129,667</u>	<u>444,016</u>	<u>2,634,179</u>
Operating income (loss)	<u>\$ 529,546</u>	<u>\$ 144,362</u>	<u>\$ (136,544)</u>	<u>\$ (174)</u>	<u>\$ (444,016)</u>	93,174
Non-operating revenues (expenses)						
Investment return						120,431
Interest expense						(3,708)
'Recycled 2 You' net retail sales						1,113
Grant income						46,249
Miscellaneous income						<u>84,837</u>
Change in net assets						<u>\$ 342,096</u>



CPA ASSOCIATES PC
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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 Financial Statements
Performed in Accordance with Government Auditing Standards**

Commission Members
Des Moines County Regional Solid Waste Commission
Burlington, Iowa

We have audited the accompanying financial statements of the Des Moines County Regional Solid Waste Commission, as of and for the year ended June 30, 2007, and have issued our report thereon dated November 8, 2007. 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 Des Moines County Regional Solid Waste Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Des Moines County Regional Solid Waste Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Des Moines County Regional Solid Waste Commission'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 and other 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 Des Moines County Regional Solid Waste Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Des Moines County Regional Solid Waste Commission's financial statements that is more than inconsequential will not be prevented or detected by Des Moines County Regional Solid Waste Commission'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 a combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Des Moines County Regional Solid Waste Commission'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 item A is a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Des Moines County Regional Solid Waste Commission's financial statements are 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 that are required to be reported under Government Auditing Standards. However, we noted an immaterial instance of non-compliance or other matters that is described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2007 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Commission. 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.

Des Moines County Regional Solid Waste Commission's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the Commission's responses, we did not audit Des Moines County Regional Solid Waste Commission'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 officials, employees and citizens of the Des Moines County Regional Solid Waste Commission and other parties to whom Des Moines County Regional Solid Waste Commission may report, including federal and state awarding agencies. 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 Des Moines County Regional Solid Waste Commission 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.

CPA Associates PC

November 8, 2007

Des Moines County Regional Solid Waste Commission
Schedule of Findings
Year Ended June 30, 2007

Findings Related to the Financial Statements:

Significant Deficiencies:

- (A) Segregation of Duties - An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One person has control of all general ledger functions; collecting, journalizing and posting of some receipts; bank reconciliations; and investment transactions.

Recommendation - We realize that with a limited number of employees, segregation of duties is difficult. However, the operating procedures should be reviewed to obtain the maximum internal control possible under the circumstances. Current personnel should be utilized to provide additional control through review of financial transactions and reconciliations. Such reviews should be performed by independent persons to the extent possible, and should be evidenced by initials or signature of the reviewer and the date of the review.

Response - Due to the limited number of office employees, segregation of duties is very difficult, however, it is our policy to have the manager review cash receipts, posting, and payroll on a test basis and bank reconciliations monthly. In addition, all cash disbursements require a second signature and are reviewed and approved by the Commission.

Conclusion - Response accepted.

- (B) Vacation Policy - The employee policy states that up to ten working days may be carried over to the subsequent calendar year. The policy also states that the Executive Director may approve written requests for extensions. At January, 2007 the ten vacation day carryover limit was exceeded by one employee on the accrued vacation schedules who did not submit a written request for an extension.

Recommendation - We recommend that policy requiring written approval for carryover of unused employee vacation time carried be followed.

Response - We will follow the policy.

Conclusion - Response accepted.

Other Findings Related to Statutory Reporting:

- (1) Official Depositories - A resolution naming official depositories has been approved by the Commission. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2007.
- (2) Questionable Expenses - No disbursements that 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 Commission money for travel expenses of spouses of Commission officials or employees were noted.

**Des Moines County Regional Solid Waste Commission
Schedule of Findings
Year Ended June 30, 2007**

Other Findings Related to Statutory Reporting: (continued):

- (4) Commission Minutes - No transactions were found that we believe should have been approved in the Commission minutes but were not.
- (5) Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Commission's investment policy were noted.
- (6) Solid Waste Fees Retained - During the year ended June 30, 2007, the Commission used or retained the solid waste fees in accordance with Chapter 455B.310 of the Code of Iowa.
- (7) Financial Assurance - The Commission has demonstrated financial assurance for closure and postclosure care costs through the application of tests required under the local government financial test mechanism prescribed in Environmental Protection Commission Chapter 111.6(8) of the Iowa Administrative Code and through funding the local government dedicated fund at the level prescribed in Environmental Protection Commission Chapter 111.6(8) of the Iowa Administrative Code. All components of the local government financial test were met for the year ended June 30, 2007. The calculation is made as follows:

Local government dedicated fund:	<u>Closure</u>	<u>Postclosure</u>
Total estimated costs for closure and postclosure care	\$ 836,347	\$ 697,507
Less: Amount Commission had restricted and reserved for closure and postclosure care at June 30, 2006	<u>(418,879)</u>	<u>(420,000)</u>
Closure and postclosure care cost estimates being assured by the local government financial test mechanism = \$694,975	<u>\$ 417,468</u>	<u>\$ 277,507</u>
 Local government financial test limit:		
Annual revenue for year ended June 30, 2006		\$ 2,480,072
Multiplied by 43%, the limit of closure and postclosure care costs that may be assured under the local government test		\$ 1,066,431