

**Metro Waste Authority  
Des Moines, Iowa**

**FINANCIAL REPORT**

**June 30, 2009**

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**Metro Waste Authority  
OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Stacey Warren	Chair	Altoona
Gary Welch	Vice Chair	Ankeny
Keith Ryan	Member	Bondurant
Paul Leighton	Member	Clive
Chris Coleman	Member	Des Moines
Todd Major	Member	Elkhart
Ron Long	Member	Grimes
Gerd Clabaugh	Member	Johnston
Jon Woods	Member	Mitchellville
Alexander Grgurich	Member	Norwalk
Bill Lack	Member	Pleasant Hill
Mary Burton	Member	Polk City
Tom Hockensmith	Member	Polk County
Tony Strom	Member	Runnells
Ron Pogge	Member	Urbandale
Robert Parks	Member	West Des Moines
Carole Tillotson	Member	Windsor Heights
Thomas B. Hadden III	Secretary	
Planning Area Members		
Bill Bodensteiner		Alleman
Ruth Randleman		Carlisle
Caroline McNamara		Hartford
Gary Bartels		Mingo
Lester H. Evans		Prairie City
Paul Walzer		Sheldahl
Thomas B. Hadden III	Executive Director of Authority	
Ron Lacey	Chief Financial Officer	

**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Metro Waste Authority  
Des Moines, Iowa

We have audited the accompanying balance sheets of Metro Waste Authority (a joint public body) as of June 30, 2009 and 2008, and the related statements of revenues, expenses and changes in fund equity and cash flows for the years then ended. These financial statements are the responsibility of Metro Waste Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Metro Waste Authority as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2009 on our consideration of Metro Waste Authority'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.

The management's discussion and analysis on pages 5-8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on management's discussion and analysis.

  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
November 20, 2009

# METRO WASTE AUTHORITY

## Management's Discussion and Analysis

As management of Metro Waste Authority (MWA), we offer readers of MWA's financial statements this narrative overview and analysis of the financial performance for the fiscal years ending June 30, 2009, 2008 and 2007. We encourage readers to consider this information with Metro Waste Authority's financial statements that follow this section.

### **FINANCIAL HIGHLIGHTS**

Metro Waste Authority continues to provide for the environmentally safe disposal of solid waste for the Central Iowa area, and has exceeded its budgeted income in last three years. Here are some of the financial highlights from fiscal years 2009 and 2008:

- Operating revenues increased by 4.3% for 2009 and by 10.0% for 2008. The increase for 2009 was due to increased waste received at the Metro Park East Landfill, the Metro Compost Center and the addition of Metro Park West Landfill. The increase for 2008 was due to increased waste received at the Metro Park East Landfill, and increased income from recycling.
- The decrease in investment income for the year 2009 was due to decreased interest rates, and the use of funds to complete the closure of Phase I, and the building of a second Sub Title D Cell at Metro Park East Landfill. The decrease in investment income for the year 2008 over the year 2007 was due to decreased interest rates, and the use of investments to start closure of Phase I.
- The decrease in nonoperating revenue for 2009 was due to a net farm loss.
- The large increase in fixed assets for 2009 was due to the purchase of \$4.2 million single stream recycling carts, the building of another subtitle D cell for \$1.7 million, and the purchase of the North Dallas Landfill for \$4.6 million. The large decrease in fixed assets for 2008 was due to the write off of \$11.6 million in fully amortized cell construction costs, and landfill development costs for Phase I, which is being closed.
- Increased operating expenses for 2009 was due to \$493,200 increase in cell cost amortization, and increased Closure/Post Closure cost of \$267,600. Also, there were initial start up cost of \$267,300 for the Single Stream recycling program. Operating expenses increased by \$1.2 million in 2008 due to \$1.1 million increase in cell cost amortization for the new subtitle D Cell built in 2007.
- The decrease in nonoperating expenses for 2008 was due to decreased interest expense on loans that were paid off.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes this management discussion and analysis report, the independent auditor's report, and the basic financial statements of MWA. The financial statements also include notes that explain in more detail some of the information in the financial statements. Additional supplemental information is also in schedule form and begins after the notes to the financial statements.

### **REQUIRED FINANCIAL STATEMENTS**

The financial statements report information about MWA using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term information about its activities. The Balance Sheet includes all of MWA's assets and liabilities and provides information about types and amounts of investments in resources (assets) and the obligations to MWA's creditors (liabilities). It also provides the basis for evaluating MWA's liquidity, financial flexibility, and overall financial health of the agency.

All of the current year and prior year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Fund Equity. These statements measure the success of MWA's operations over the past two years and can be used to determine whether the organization has covered all its costs through its tipping fees and other charges.

The final required financial statements are the Statements of Cash Flows. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing, and capital and related financing activities. They also provide answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting periods.

## **ANALYSIS OF MWA FINANCIAL POSITION**

Is MWA's financial position as a whole better off or worse off as a result of this year's activities? The Balance Sheets and the Statements of Revenues, Expenses, and Changes in Fund Equity report information about the net assets of Metro Waste Authority and the changes in them. MWA's fund equity (the difference between assets and liabilities) are one way to measure the organization's financial health or financial position. Over time, increases or decreases in MWA's fund equity are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government regulations.

## **FUND EQUITY**

To begin our analysis, a summary of MWA's Balance Sheet is presented in Table A-1

**Table A-1  
Condensed Balance Sheets**

	<b>FY 08/09</b>	<b>FY 07/08</b>	<b>Change</b>	<b>% Change</b>	<b>FY 06/07</b>	<b>Change</b>	<b>% Change</b>
Current and Other Assets	\$11,468,553	\$13,566,465	(\$2,097,912)	-15.5%	\$12,819,716	\$746,749	5.8%
Restricted Assets	16,296,272	18,236,612	(1,940,340)	-10.6%	19,104,008	(867,396)	-4.5%
Capital Assets	45,823,452	37,980,314	7,843,138	20.7%	39,558,990	(1,578,676)	-4.0%
<b>Total Assets</b>	<b>73,588,277</b>	<b>69,783,391</b>	<b>3,804,886</b>	<b>5.5%</b>	<b>71,482,714</b>	<b>(1,699,323)</b>	<b>-2.4%</b>
Current Liabilities	7,278,911	5,663,026	1,615,885	28.5%	8,054,124	(2,391,098)	-29.7%
Long-term Debt Outstanding	5,672,716	442,739	5,229,977	1181.3%	3,361,000	(2,918,261)	-86.8%
Closure and Post Closure Costs	11,271,533	15,280,291	(4,008,758)	-26.2%	14,892,611	387,680	2.6%
<b>Total Liabilities</b>	<b>24,223,160</b>	<b>21,386,056</b>	<b>2,837,104</b>	<b>13.3%</b>	<b>26,307,735</b>	<b>(4,921,679)</b>	<b>-18.7%</b>
Fund Equity:							
Invested in Capital Assets net of Related Debt	38,617,683	36,412,575	2,205,108	6.1%	34,026,742	2,385,833	7.0%
Restricted by Board	4,642,550	2,537,253	2,105,297	83.0%	3,849,960	(1,312,707)	-34.1%
Unrestricted	6,104,884	9,447,507	(3,342,623)	-35.4%	7,298,277	2,149,230	29.4%
<b>Total Fund Equity</b>	<b>\$49,365,117</b>	<b>\$48,397,335</b>	<b>\$967,782</b>	<b>2.0%</b>	<b>\$45,174,979</b>	<b>\$3,222,356</b>	<b>7.1%</b>

As can be seen from the table above, fund equity increased \$1.0 million in 2009 and \$3.2 million in 2008. The increase for 2009 was due to a \$7.3 million increase in Capital Assets from the purchase of the North Dallas Landfill, and the purchase of Single Stream recycling carts, and \$5.9 million increase in Long-term debt due to these purchases. Also, the Closure and Post Closure liability decreased by \$4.0 million which is the result of the closure of Phase I. The increase in fund equity for 2008 was primarily due to the \$4.9 million decrease in Current Liabilities, and Long-term debt. Restricted Assets are cash and investments that have been designated by MWA's Board of Directors for closure and post closure care costs and for the purchase of capital assets. Federal and State regulations require Metro Waste Authority to complete a closure/post closure plan and to provide funding necessary for full closure and post closure, including the proper monitoring and care of the landfill after closure. Investments totaling \$11.3 million in 2009 and \$15.3 million in 2008 have been restricted for this purpose. For more detailed information on the restriction of these funds, see note 7 of the financial statements.

**Table A-2**  
**Condensed Statements of Revenues,**  
**Expenses, and Changes in Fund Equity**

	FY 08/09	FY 07/08	Change	%	FY 06/07	Change	%
Operating Revenues	\$22,334,440	\$21,416,712	\$917,728	4.3%	\$19,472,340	\$1,944,372	10.0%
Investment Income	800,914	1,431,260	(630,346)	-44.0%	1,730,338	(299,078)	-17.3%
Nonoperating Revenues	(18,189)	186,779	(204,968)	-109.7%	302,827	(116,048)	-38.3%
Total Revenues	<u>23,117,165</u>	<u>23,034,751</u>	82,414	0.4%	21,505,505	1,529,246	7.1%
Operating Expense	16,981,412	14,898,661	2,082,751	14.0%	13,689,892	1,208,769	8.8%
Depreciation	5,048,094	4,787,185	260,909	5.5%	3,116,422	1,670,743	53.6%
Nonoperating Expense	119,877	126,549	-6,672	-5.3%	320,253	(193,704)	-60.5%
Total Expenses	<u>22,149,383</u>	<u>19,812,395</u>	\$2,336,988	11.8%	17,126,567	\$2,685,808	15.7%
Change in Fund Equity	967,782	3,222,356			4,378,938		
Beginning Fund Equity	48,397,335	45,174,979			40,796,041		
Ending Fund Equity	<u>\$49,365,117</u>	<u>\$48,397,335</u>			<u>\$45,174,979</u>		

While the Balance Sheet shows the change in financial position of net assets, the Statements of Revenues, Expenses, and Changes in Fund Equity provide answers as to the nature and source of these changes. Table A-2 shows operating revenues increased by \$1.0 million in 2009 and by \$1.9 million in 2008. The increase for 2009 was due to increased waste received at the Metro Park East Landfill, the Metro Compost Center and the addition of Metro Park West Landfill. The increase for 2008 was due to increased waste received at the Metro Park East Landfill, and increased income from recycling. The decrease in investment income for the year 2009 was due to decreased interest rates, and the use of funds to complete the closure of Phase I, and building of a second Subtitle D cell at Metro Park East Landfill. The decrease in investment income for the year 2008 was due to decreased interest rates, and the use of investments to start closure of Phase I. Increased operating expenses for 2009 was due to \$493,200 increase in cell cost amortization, and increased Closure/Post Closure cost of \$267,600. Also, there were initial start up cost of \$267,300 for the Single Stream recycling program. Operating expenses increased by \$1.2 million in 2008 due to \$1.1 million increase in cell cost amortization for the new Subtitle D Cell built in 2007.

## **CAPITAL ASSETS**

**Table A-3  
Capital Assets**

	<b>FY 08/09</b>	<b>FY 07/08</b>	<b>Change</b>	<b>% Change</b>	<b>FY 06/07</b>	<b>Change</b>	<b>% Change</b>
Land & Land Improvements	\$16,695,041	\$12,118,646	\$4,576,395	37.8%	\$15,404,712	(\$3,286,066)	-21.3%
Buildings & Building Improvements	18,564,096	17,997,475	566,621	3.1%	17,683,699	313,776	1.8%
Landfill Cell Development	9,409,994	7,695,834	1,714,160	22.3%	15,146,771	(7,450,937)	-49.2%
Wetlands Treatment Facility	3,408,975	3,408,975	0	0.0%	3,408,975	0	0.0%
Equipment	19,834,533	13,814,977	6,019,556	43.6%	12,535,746	1,279,231	10.2%
Sub-total	67,912,639	55,035,907	12,876,732	23.4%	64,179,903	(9,143,996)	-14.2%
Less: Accumulated depreciation	22,089,187	17,055,593	5,033,594	29.5%	24,620,913	(7,565,320)	-30.7%
Net Property and Equipment	<u>\$45,823,452</u>	<u>\$37,980,314</u>	<u>\$7,843,138</u>	<u>20.7%</u>	<u>\$39,558,990</u>	<u>(\$1,578,676)</u>	<u>-4.0%</u>

The large increase in capital assets for 2009 was due to the purchase of \$4.2 million single stream recycling carts, the building of another Subtitle D cell for \$1.7 million, and the purchase of the North Dallas Landfill for \$4.6 million. Capital assets decreased by \$9.1 million in 2008. This was due to the write off of \$11.6 million in fully amortized cell construction costs, and landfill development costs for Phase I, which is closed.

## **DEBT ADMINISTRATION**

On February 2, 2009, Metro Waste Authority issued Solid Waste Revenue Notes for \$3.5 million with an interest rate of 3.79%. Interest is payable semiannually each June 1 and December 1. Principal is due in annual installments each year through June 1, 2016. The proceeds from these notes were used to help purchase 80,000 single stream recycling carts.

On April 20, 2009, Metro Waste Authority entered in to a Real Estate Contract for \$2.3 million to purchase the North Dallas Landfill, at Perry, Iowa. Interest is at the rate of 3.52%. Principal is due annually each year through April 20, 2023.

On February 10, 2006, Metro Waste Authority entered in to a Real Estate Contract for \$1.4 million to purchase farm land adjacent to the Metro Park East Landfill. Interest at the rate of 5% and principal is due semiannually each year through September 1, 2015. The seller has the right to demand the unpaid balance of the contract at any time after giving a 60 day notice to MWA.

On May 4, 2006, Metro Waste Authority assumed a \$750,000 loan on the purchase of the commercial office building at 300 East Locust, Des Moines, Iowa. The loan is non-interest bearing, due in annual installments to the City of Des Moines, through July 1, 2015.

For more information on MWA's long-term debt, see note 5 of the financial statements.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to present users with a general overview of Metro Waste Authority's finances and to demonstrate the agency's accountability for the funds generated. If you have questions about the report or need additional financial information, please contact the Finance Department, Metro Waste Authority, 300 East Locust Street, Suite 100, Des Moines, IA 50309-1864.

**Metro Waste Authority  
BALANCE SHEETS**

<b>ASSETS</b>	<b>June 30</b>	
	<b>2009</b>	<b>2008</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 584,935	\$ 839,138
Investments	7,209,561	10,257,111
Disposal fees receivable, less allowance for uncollectible accounts 2009 \$150,000 and 2008 \$150,000	1,615,460	1,698,076
Prepaid expenses, accrued interest and other assets	679,764	601,023
Inventories	105,681	113,338
Total current assets	<u>10,195,401</u>	<u>13,508,686</u>
<b>ASSETS WHOSE USE IS LIMITED</b>		
Cash and cash equivalents	3,457,565	1,908,967
Investments	<u>12,838,707</u>	<u>16,327,645</u>
Total assets whose use is limited	<u>16,296,272</u>	<u>18,236,612</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land and building—Metro Park East	29,797,903	27,680,681
Land and building—Metro Park West	4,688,337	—
Land—Grimes	712,505	712,505
Land and building—Transfer Station	3,652,491	3,613,870
Leasehold improvements—Metro Compost Center	213,824	213,824
Land and building—Regional Collection Center	1,371,927	1,358,931
Land and building—300 East Locust	7,641,119	7,641,119
Automobiles, trucks and other equipment	<u>19,834,533</u>	<u>13,814,977</u>
	67,912,639	55,035,907
Less accumulated depreciation and amortization	<u>22,089,187</u>	<u>17,055,593</u>
Total property and equipment	<u>45,823,452</u>	<u>37,980,314</u>
<b>OTHER ASSET</b>		
Notes receivable	<u>1,273,152</u>	<u>57,779</u>
Total assets	<u>\$73,588,277</u>	<u>\$69,783,391</u>

See Notes to Financial Statements.

	<b>June 30</b>	
<b>LIABILITIES AND FUND EQUITY</b>	<b>2009</b>	<b>2008</b>
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 1,533,053	\$ 1,125,000
Construction contracts payable	1,956,781	600,989
Trade accounts payable	1,398,117	1,165,900
Disposal fee rebates payable	573,020	1,195,331
Landfill tax payable	229,278	269,058
Accrued payroll and employee benefits	1,236,098	1,076,339
Early departure benefits payable	8,640	28,567
Other accrued expenses	<u>343,924</u>	<u>201,842</u>
Total current liabilities	<u>7,278,911</u>	<u>5,663,026</u>
 <b>LONG-TERM LIABILITIES</b>		
Notes payable, less current portion	5,672,716	442,739
Accrued landfill closure and postclosure care costs	<u>11,271,533</u>	<u>15,280,291</u>
Total long-term liabilities	<u>16,944,249</u>	<u>15,723,030</u>
Total liabilities	<u>24,223,160</u>	<u>21,386,056</u>
 <b>COMMITMENTS AND CONTINGENCIES</b>		
 <b>FUND EQUITY</b>		
Invested in capital assets, net of related debt	38,617,683	36,412,575
Unrestricted	10,594,523	11,834,760
Restricted for transfer station closure	<u>152,911</u>	<u>150,000</u>
Total fund equity	<u>49,365,117</u>	<u>48,397,335</u>
Total liabilities and fund equity	<u>\$73,588,277</u>	<u>\$69,783,391</u>

**Metro Waste Authority**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY**

	<b>Year ended June 30</b>	
	<b>2009</b>	<b>2008</b>
<b>REVENUES</b>		
Landfill, transfer, compost, RCC, curbside recycling, and rental	\$22,334,440	\$21,416,712
<b>OPERATING EXPENSES</b>		
Operating expenses (excluding depreciation and amortization)	15,715,024	13,899,799
Provision for landfill closure and postclosure care costs	<u>1,266,388</u>	<u>998,862</u>
Operating income before depreciation and amortization	<u>5,353,028</u>	<u>6,518,051</u>
<b>DEPRECIATION AND AMORTIZATION</b>		
Depreciation	2,659,138	2,891,392
Amortization	<u>2,388,956</u>	<u>1,895,793</u>
	<u>5,048,094</u>	<u>4,787,185</u>
Operating income	<u>304,934</u>	<u>1,730,866</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Farm income (loss), net of related expenses	(64,124)	75,933
Investment income	800,914	1,431,260
Gain on sale of equipment	-	88,106
Interest expense	(119,877)	(126,549)
Other	<u>45,935</u>	<u>22,740</u>
Total nonoperating revenues (expenses)	<u>662,848</u>	<u>1,491,490</u>
Increase in net assets	<u>967,782</u>	<u>3,222,356</u>
<b>FUND EQUITY</b> , beginning of year	<u>48,397,335</u>	<u>45,174,979</u>
<b>FUND EQUITY</b> , end of year	<u>\$49,365,117</u>	<u>\$48,397,335</u>

**Metro Waste Authority  
STATEMENTS OF CASH FLOWS**

	<u>Year ended June 30</u>	
	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$22,415,533	\$21,210,703
Cash paid to suppliers for goods and services	(11,907,994)	(10,008,899)
Cash paid to employees for services	(3,562,813)	(3,252,544)
Cash paid for host fees	(432,362)	(349,959)
Grants received	1,523	41,131
Community clean up grants paid	(49,951)	(49,018)
Net cash provided by operating activities	<u>6,463,936</u>	<u>7,591,414</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(215,000)	(3,964,509)
Proceeds from notes payable	5,853,030	-
Interest paid on notes payable	(50,751)	(141,949)
Additions to notes receivable	(1,224,380)	(29,346)
Principal collections on notes receivable	9,007	23,598
Purchase of fixed assets	(11,495,271)	(4,923,808)
Proceeds from sale of equipment	-	137,980
Payments for landfill cell closure	(5,275,147)	(611,181)
Net cash (used in) capital and related financing activities	<u>(12,398,512)</u>	<u>(9,509,215)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	29,304,225	35,184,392
Purchases of investments	(22,581,878)	(37,745,883)
Interest received	524,813	807,681
Net cash received from (paid for) farming and other activities	(18,189)	98,673
Net cash provided by (used in) investing activities	<u>7,228,971</u>	<u>(1,655,137)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,294,395	(3,572,938)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>2,748,105</u>	<u>6,321,043</u>
Ending	<u>\$ 4,042,500</u>	<u>\$ 2,748,105</u>

See Notes to Financial Statements.

**Metro Waste Authority**  
**STATEMENTS OF CASH FLOWS (continued)**

	<b>Year ended June 30</b>	
	<b>2009</b>	<b>2008</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 304,934	\$1,730,866
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	5,048,094	4,787,185
Provision for closure and postclosure costs	1,266,388	998,862
Changes in assets and liabilities		
(Increase) decrease in disposal fees receivable	82,616	(164,878)
(Increase) decrease in prepaid expenses and other assets, net of investing activities	11,502	(66,731)
(Increase) decrease in inventories	7,657	(29,864)
Increase (decrease) in payables, net of amounts for fixed assets	(397,087)	173,625
Increase in accrued payroll and benefits payable	<u>139,832</u>	<u>162,349</u>
Net cash provided by operating activities	<u>\$6,463,936</u>	<u>\$7,591,414</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET</b>		
Per balance sheet		
Current assets, cash and cash equivalents	\$ 584,935	\$ 839,138
Assets whose use is limited, cash and cash equivalents	<u>3,457,565</u>	<u>1,908,967</u>
Total per statement of cash flows	<u>\$4,042,500</u>	<u>\$2,748,105</u>

See Notes to Financial Statements.

**Metro Waste Authority**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

Metro Waste Authority (the Authority) was formed in 1969 pursuant to the provisions of Chapter 28E of the Code of Iowa by a majority of the local governmental jurisdictions comprising the Des Moines, Iowa metropolitan area. The purpose of the Authority is to provide for the economic disposal, or collection and disposal, of all solid waste produced or generated within the metropolitan area. Currently, this purpose is being met by operating sanitary landfills, transfer station, regional collection center and compost facility, as well as managing volume reduction and recycling programs. The Authority also provides disposal services to private contractors.

The Authority is comprised of one representative from each of the sixteen member cities and one representative from Polk County. The member cities are: Altoona, Ankeny, Bondurant, Clive, Des Moines, Elkhart, Grimes, Johnston, Mitchellville, Norwalk, Pleasant Hill, Polk City, Runnells, Urbandale, West Des Moines, and Windsor Heights. Each member is entitled to one vote for each 50,000 population or fraction thereof, residing in the governmental jurisdiction, as determined by the most recent general Federal Census.

**Reporting Entity**

For financial reporting purposes, the Authority has included all funds, organizations, account groups, agencies, boards, commissions and authorities that are not legally separate. The Authority 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 Authority are such that exclusion would cause the Authority'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 Authority 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 Authority. The Authority has no component units which meet the Governmental Accounting Standards Board criteria.

**Measurement Focus and Basis of Accounting**

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The Authority has no government or fiduciary funds. The Authority's accounts are organized into a single proprietary fund. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in fund equity is appropriate for capital maintenance.

**Accounting Standards**

The Authority 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.

**Cash and Cash Equivalents**

The Authority considers all cash and short-term investments that are highly liquid to be cash equivalents.

**Inventories**

Inventories, which consist of yard bags and stickers, are stated at cost, based on the first-in, first-out method.

**Metro Waste Authority  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property and Equipment**

Property and equipment are accounted for at historical cost or estimated historical cost where historical cost is not available. Depreciation and amortization of all exhaustible fixed assets is charged as an expense against operations. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method using these asset lives:

Landfill improvements	5 to 10 years
Wetlands treatment facility	10 to 30 years
Buildings	10 to 40 years
Building improvements	10 years
Automobiles and trucks	3 to 10 years
Equipment	5 to 10 years

Amortization is computed using the straight-line method as follows:

Landfill cell development	Landfill capacity used
Leasehold improvements	Lease term

The cost of repairs and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation and amortization of assets disposed of are deleted, with any gain or loss recorded in current operations.

**Disposal Fee Rebates Payable**

The Authority has entered into waste delivery contracts with certain haulers which provide that eligible haulers will be rebated specified rates per ton for waste delivered directly to the landfill, after delivering a specified minimum volume in a year. Disposal fee rebates payable represent amounts due to eligible haulers under these contracts.

**Compensated Absences**

Authority employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. The cost of vacation and sick leave accumulations are recorded as liabilities and expenses. The compensated absences liability, included in accrued payroll and employee benefits, has been computed based on rates of pay in effect at June 30, 2009 and 2008, respectively.

**Landfill Closure and Postclosure Care Costs**

Costs expected to be incurred in ultimately closing the present landfill site are being systematically provided for through charges to expense over the estimated useful life of the landfill on the basis of capacity used (see Note 7).

**Investments and Investment Income**

The Authority's investments and the methods used in determining the reported amounts are as follows:

<u>Type</u>	<u>Method</u>
Interest-earning investment contracts	
Nonnegotiable certificates of deposit	Cost
Debt securities	
U.S. Treasury securities and U.S. Government Agency securities	
Maturity of one year or less when purchased	Amortized cost
Maturity of more than one year when purchased	Fair value based on quoted market prices

**Metro Waste Authority**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Investments and Investment Income (continued)**

The nonnegotiable certificates of deposit and U.S. Treasury and U.S. Government Agency securities are nonparticipating contracts not significantly affected by impairment of the issuer's credit standing or other factors. The debt securities with a remaining maturity of one year or less when purchased are also not significantly affected by the issuer's credit standing or by other factors.

Investment income from investments is reported as nonoperating revenue. Investment income includes interest income and the net increase (decrease) in the fair value of investments which includes realized and unrealized gains and losses on investments.

**Fund Equity**

Fund equity is presented in the following three components:

**Invested in capital assets, net of related debt**

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balance of the note payable obligations that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted**

This component of fund equity consists of constraints placed on fund equity use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Authority currently has reported restricted fund equity related to transfer station closure investments. Amounts related to an escrow agreement and amounts restricted for closure and postclosure care costs are reported net of the liabilities accrued related to these costs.

**Unrestricted**

Unrestricted fund equity has no externally imposed restrictions on use.

**Accounting Estimates and Assumptions**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

The Authority's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Authority 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 Board of Directors; 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.

**Metro Waste Authority**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 CASH AND INVESTMENTS (continued)**

As of June 30, 2009, the Authority's deposits and investments are as follows:

Deposits	
Money market funds	\$ 2,821,591
Nonnegotiable certificates of deposit	4,662,797
Investments	
U.S. Treasury securities	747,422
U.S. Government agency securities	<u>11,816,459</u>
 Total	 <u>\$20,048,269</u>

*Credit Risk.* The Authority's investment policy does not limit its investment portfolio based upon credit quality of the issuer. At June 30, 2009, all of the Authority's investments subject to credit quality ratings were rated Aaa or P1 by Moody's Investor Service.

*Concentration of Credit Risk.* The Authority's investment policy limits the amount that may be invested in one issuer (excluding U.S. Government obligations) to \$2,000,000, or 25% of the portfolio. At June 30, 2009, more than 5% of the Authority's investments were invested in obligations of the following agencies: Federal Home Loan Mortgage Corporation 16.8%; Federal National Mortgage Association 37.3%; Federal Home Loan Bank 17.0%; Federal Financing Corporation 14.8%; and Federal Farm Credit Bank 5.8%.

*Interest Rate Risk.* The Authority's investment policy limits the investing of operating funds (defined as funds reasonably expected to be expended within fifteen months) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in instruments with maturities longer than 397 days, provided that the maturities are consistent with the needs and use of the Authority. The Authority's investments in debt securities had the following weighted average maturities at June 30, 2009: U.S. Treasury securities 6.30 years; and U.S. Government agency securities 2.78 years.

**NOTE 3 ASSETS WHOSE USE IS LIMITED**

Assets whose use is limited at June 30, 2009 and 2008 were limited for the following purposes:

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Legally restricted assets whose use is limited		
For closure and postclosure care costs	\$11,271,533	\$15,280,301
For transfer station closure	152,911	150,000
Under escrow agreement	<u>229,278</u>	<u>269,058</u>
Total - legally restricted	<u>11,653,722</u>	<u>15,699,359</u>
 Board designated assets whose use is limited		
For capital projects	4,002,071	1,908,967
For environmental contingencies	<u>640,479</u>	<u>628,286</u>
Total - board designated	<u>4,642,550</u>	<u>2,537,253</u>
 Total assets whose use is limited	 <u>\$16,296,272</u>	 <u>\$18,236,612</u>

Assets designated by the Board of Directors for capital projects and environmental contingencies represent assets set aside for the purpose of funding future fixed asset purchases and any potential environmental liabilities, respectively, of the Authority. The Board retains control of these assets and may, at its discretion, subsequently use the assets for other purposes.

**Metro Waste Authority**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 PROPERTY AND EQUIPMENT**

During the year ended June 30, 2009, fixed asset additions and disposals by type were as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance June 30, 2009</u>
Metro Park East					
Land	\$ 7,980,605	\$ —	\$ —	\$ —	\$ 7,980,605
Building	6,204,134	446,341	—	—	6,650,475
Landfill improvements	2,391,133	8,822	—	—	2,399,955
Landfill cell development	7,695,834	1,662,059	—	—	9,357,893
Wetlands treatment facility	<u>3,408,975</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,408,975</u>
	<u>27,680,681</u>	<u>2,117,222</u>	<u>—</u>	<u>—</u>	<u>29,797,903</u>
Metro Park West					
Land	—	4,550,910	—	—	4,550,910
Building	—	85,326	—	—	85,326
Landfill cell development	—	<u>52,101</u>	—	—	<u>52,101</u>
	<u>—</u>	<u>4,688,337</u>	<u>—</u>	<u>—</u>	<u>4,688,337</u>
Land—Grimes	<u>712,505</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>712,505</u>
Transfer Station					
Land	89,221	—	—	—	89,221
Land improvements	165,858	16,663	—	—	182,521
Building	<u>3,358,791</u>	<u>21,958</u>	<u>—</u>	<u>—</u>	<u>3,380,749</u>
	<u>3,613,870</u>	<u>38,621</u>	<u>—</u>	<u>—</u>	<u>3,652,491</u>
Metro Compost Center					
Leasehold improvements	<u>213,824</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>213,824</u>
Regional Collection Center					
Land	67,500	—	—	—	67,500
Building	<u>1,291,431</u>	<u>12,996</u>	<u>—</u>	<u>—</u>	<u>1,304,427</u>
	<u>1,358,931</u>	<u>12,996</u>	<u>—</u>	<u>—</u>	<u>1,371,927</u>
300 East Locust					
Land	498,000	—	—	—	498,000
Building	<u>7,143,119</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,143,119</u>
	<u>7,641,119</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,641,119</u>
Automobiles, trucks and other equipment					
Office equipment - Central Office and Landfills	701,933	11,648	—	—	713,581
Disposal	9,797,965	1,095,938	(14,500)	14,852	10,894,255
Transfer Station	1,318,533	729,374	—	—	2,047,907
Regional Collection Center	226,435	—	—	—	226,435
Recycling	—	4,197,096	—	—	4,197,096
Compost Facility	<u>1,770,111</u>	<u>—</u>	<u>—</u>	<u>(14,852)</u>	<u>1,755,259</u>
	<u>13,814,977</u>	<u>6,034,056</u>	<u>(14,500)</u>	<u>—</u>	<u>19,834,533</u>
Totals	55,035,907	12,891,232	(14,500)	—	67,912,639
Less accumulated depreciation and amortization	<u>(17,055,593)</u>	<u>(5,048,094)</u>	<u>14,500</u>	<u>—</u>	<u>(22,089,187)</u>
Net property and equipment	<u>\$37,980,314</u>	<u>\$ 7,843,138</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$45,823,452</u>

**Metro Waste Authority  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 PROPERTY AND EQUIPMENT (continued)**

During the year ended June 30, 2008, fixed asset additions and disposals by type were as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance June 30, 2008</u>
Metro Park East					
Land	\$ 8,527,678	\$ -	\$ (547,073)	\$ -	\$ 7,980,605
Building	6,171,788	32,346	-	-	6,204,134
Landfill improvements	5,207,876	-	(5,207,876)	2,391,133	2,391,133
Landfill cell development	15,146,771	842,441	(5,902,245)	(2,391,133)	7,695,834
Wetlands treatment facility	3,408,975	-	-	-	3,408,975
	<u>38,463,088</u>	<u>874,787</u>	<u>(11,657,194)</u>	<u>-</u>	<u>27,680,681</u>
Land—Grimes	<u>714,265</u>	<u>-</u>	<u>(1,760)</u>	<u>-</u>	<u>712,505</u>
Transfer Station					
Land	89,221	-	-	-	89,221
Land improvements	130,384	-	-	35,474	165,858
Building	3,358,791	-	-	-	3,358,791
Building improvements	35,474	-	-	(35,474)	-
	<u>3,613,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,613,870</u>
Metro Compost Center					
Leasehold improvements	<u>169,788</u>	<u>44,036</u>	<u>-</u>	<u>-</u>	<u>213,824</u>
Regional Collection Center					
Land	67,500	-	-	-	67,500
Building	1,258,342	33,089	-	-	1,291,431
	<u>1,325,842</u>	<u>33,089</u>	<u>-</u>	<u>-</u>	<u>1,358,931</u>
300 East Locust					
Land	498,000	-	-	-	498,000
Building	6,859,304	283,815	-	-	7,143,119
	<u>7,357,304</u>	<u>283,815</u>	<u>-</u>	<u>-</u>	<u>7,641,119</u>
Automobiles, trucks and other equipment					
Office equipment - Central Office and					
Landfill	666,621	54,862	(19,550)	-	701,933
Disposal	8,712,480	1,144,472	(58,987)	-	9,797,965
Transfer Station	1,260,968	73,398	(15,833)	-	1,318,533
Regional Collection Center	152,488	122,183	(48,236)	-	226,435
Compost Facility	1,743,189	629,501	(602,579)	-	1,770,111
	<u>12,535,746</u>	<u>2,024,416</u>	<u>(745,185)</u>	<u>-</u>	<u>13,814,977</u>
Totals	64,179,903	3,260,143	(12,404,139)	-	55,035,907
Less accumulated depreciation and amortization	<u>(24,620,913)</u>	<u>(4,787,185)</u>	<u>12,352,505</u>	<u>-</u>	<u>(17,055,593)</u>
Net property and equipment	<u>\$39,558,990</u>	<u>\$(1,527,042)</u>	<u>\$(51,634)</u>	<u>\$ -</u>	<u>\$37,980,314</u>

Land with a carrying value of approximately \$7,885,000 was not used in the landfill operations as of June 30, 2009 and 2008. Of this amount, approximately \$6,651,000 was leased or farmed as farmland as of June 30, 2009 and 2008.

At June 30, 2009, contract commitments of approximately \$2,704,000 remain on an Authority engineering and construction contract for landfill closure costs.

**Metro Waste Authority  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 NOTES PAYABLE**

Notes payable at June 30, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Solid Waste Disposal Revenue Note, Series 2009	\$3,525,000	\$ -
Note payable	2,328,030	-
City of Des Moines note	442,739	517,739
Farm installment contract	<u>910,000</u>	<u>1,050,000</u>
	7,205,769	1,567,739
Less current portion	<u>1,533,053</u>	<u>1,125,000</u>
Long-term debt	<u>\$5,672,716</u>	<u>\$ 442,739</u>

**Solid Waste Disposal Revenue Note, Series 2009**

The Solid Waste Disposal Revenue Note, Series 2009 was issued to a bank on February 2, 2009, for the purpose of acquiring solid waste collection and disposal equipment. The 2009 Note is payable in annual principal installments due on June 1 each year through June 1, 2016. Interest is payable semiannually each June 1 and December 1, with an interest rate of 3.79%. The Note is secured solely by future net revenues of the Authority. Annual principal and interest payments are expected to require less than the net revenues of the system. For the current year, \$55,295 in interest was paid on the note.

**Note payable**

The Authority purchased the North Dallas Landfill in April 2009. The note is payable in annual installments of \$240,000 through April 2013 and then annual installments of \$200,000 from April 2014 through 2023. Installment payments include principal and interest at 3.52%. No principal or interest payments were made during 2009.

**City of Des Moines note**

When the Authority purchased the 300 East Locust real estate in March 2006, the Authority assumed the existing note payable to the City of Des Moines. This note, which bears no interest, is payable in annual installments of \$75,000 on July 1 of each year until July 1, 2015, when all remaining principal is due. The Authority has also agreed to pay ad valorem property taxes on this property for as long as the Authority has an ownership interest in the property. The note is collateralized by a second mortgage on the 300 East Locust property.

**Farm installment contract**

The farm installment contract was signed in February 2006, when the Authority agreed to purchase a farm property from an individual adjacent to the landfill. The contract is payable in semiannual principal installments of \$70,000 due on March 1 and September 1 each year through September 1, 2015. Interest is also payable semiannually each March 1 and September 1 at 5%. Under the terms of this contract, the seller has the right to demand full payment of any unpaid principal balance at any time by giving the Authority 60 days written notice. Although management of the Authority believes it unlikely that this demand provision will be exercised, the entire note payable balance is classified as maturing in the year ending June 30, 2010, due to the note's 60-day demand provision.

**Metro Waste Authority  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 NOTES PAYABLE (continued)**

Principal and interest maturities of the notes payable at June 30, 2009 are summarized as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$1,533,053	\$ 308,548	\$1,841,601
2011	703,617	197,286	900,903
2012	729,376	173,593	902,969
2013	755,338	148,927	904,265
2014	746,510	123,280	869,790
2015-2016	<u>2,737,875</u>	<u>346,968</u>	<u>3,084,843</u>
Totals	<u>\$7,205,769</u>	<u>\$1,298,602</u>	<u>\$8,504,371</u>

A summary of changes in notes payable for the year ended June 30, 2009 follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Principal payments</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Solid Waste Disposal Revenue Note 2009	\$ -	\$3,525,000	\$ -	\$3,525,000	\$ 390,000
Note payable	-	2,328,030	-	2,328,030	158,053
City of Des Moines note	517,739	-	75,000	442,739	75,000
Farm installment contract	<u>1,050,000</u>	<u>-</u>	<u>140,000</u>	<u>910,000</u>	<u>910,000</u>
Totals	<u>\$1,567,739</u>	<u>\$5,853,030</u>	<u>\$ 215,000</u>	<u>\$7,205,769</u>	<u>\$1,533,053</u>

A summary of changes in notes payable for the year ended June 30, 2008 follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Principal payments</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Solid Waste Disposal Revenue Note 2003	\$ 775,000	\$ -	\$ 775,000	\$ -	\$ -
Mortgage note payable	2,974,509	-	2,974,509	-	-
City of Des Moines note	592,739	-	75,000	517,739	75,000
Farm installment contract	<u>1,190,000</u>	<u>-</u>	<u>140,000</u>	<u>1,050,000</u>	<u>1,050,000</u>
Totals	<u>\$5,532,248</u>	<u>\$ -</u>	<u>\$3,964,509</u>	<u>\$1,567,739</u>	<u>\$1,125,000</u>

**NOTE 6 OPERATING LEASES**

The Authority leases office space in the 300 East Locust building to various tenants under operating leases. At June 30, 2009, approximate future minimum lease payments receivable from noncancelable operating leases are as follows:

Year ending June 30

2010	\$ 378,349
2011	341,268
2012	261,384
2013	141,957
2014	46,461
2015	<u>1,143</u>
	<u>\$1,170,562</u>

**Metro Waste Authority  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 OPERATING LEASES (continued)**

In addition, the Authority has entered into an agreement with the City of Des Moines to lease and operate the City's yard waste processing site. The lease, which extends through March 31, 2010, can be cancelled by either party by giving 60 days notice. Monthly rent payments are \$4,167.

**NOTE 7 CLOSURE AND POSTCLOSURE CARE COSTS**

To comply with federal and state regulations, the Authority is required to complete a monitoring system plan and a closure/postclosure plan and 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 requirements is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. 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 (the liquid that drains out of waste) for thirty years.

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 due to inflation or deflation, technology, or applicable laws or regulations.

The Authority's estimated closure and postclosure care liabilities are as follows as of June 30, 2009 and 2008:

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Postclosure care	\$ 8,308,701	\$ 5,525,287
Landfill closure	<u>2,962,832</u>	<u>9,755,004</u>
Totals	<u>\$11,271,533</u>	<u>\$15,280,291</u>

The provision for landfill closure and postclosure care costs recognized for the years ended June 30, 2009 and 2008 is as follows:

	<u>Year ended June 30</u>	
	<u>2009</u>	<u>2008</u>
Provision for postclosure care	\$ 227,951	\$ 267,668
Provision for landfill closure	<u>1,038,437</u>	<u>731,194</u>
Totals	<u>\$1,266,388</u>	<u>\$ 998,862</u>

**Metro Waste Authority**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 CLOSURE AND POSTCLOSURE CARE COSTS (continued)**

The total closure and postclosure care costs for Metro Waste Authority have been estimated at approximately \$13,279,400 as of June 30, 2009, and the portion of the liability that has been recognized is \$11,271,533. This liability represents the cumulative amount reported to date based on the use of approximately 50 percent of the capacity of the landfill less payments for cell closure, with a remaining life of 45 years. A provision for the above liability has been made on the Authority's balance sheet as of June 30, 2009 and 2008. The Authority has accumulated resources to fund these costs. They are included in assets whose use is limited on the balance sheet and total \$11,271,533 as of June 30, 2009.

**NOTE 8 TRANSFER STATION CLOSURE CARE**

To comply with state regulations, the Authority is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces that have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles that will remain on site, including the rinsing of all surfaces that have come in contact with solid waste, and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the Authority is required to maintain a closure account as financial assurance for the closure care costs. The effect of the state requirement is to commit landfill owners to perform certain closing functions as a condition for the right to operate the transfer station in the current period.

The total closure care costs for the Authority as of June 30, 2009 have been estimated at \$152,911. The balance has been restricted and is fully funded at June 30, 2009.

**NOTE 9 SOLID WASTE TONNAGE FEES RETAINED**

The Authority has established an account for restricting and using those portions of solid waste tonnage fees retained by the Authority in accordance with Chapter 455B.310 of the Code of Iowa. As required by the Code of Iowa, fifty cents per ton of the solid waste tonnage fee must be used for the following: (1) development and implementation of an approved comprehensive plan, (2) development of a closure or postclosure care plan, (3) development of a plan for the control and treatment of leachate which may include a facility plan or detailed plans and specifications, and (4) preparation of a financial plan. One dollar and five cents per ton of the retained funds shall be disbursed to a city, county, or public agency using the sanitary disposal project for the purpose of implementation of waste volume reduction and recycling required by the Authority's approved comprehensive plan. The fees retained may also be used for other environmental protection and environmental compliance activities. As of June 30, 2009 and 2008, there were no unspent amounts retained by the Authority.

**NOTE 10 DEFINED BENEFIT PENSION PLAN**

The Authority contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa 50306-9117.

For the year ended June 30, 2009, regular plan members were required to contribute 4.10% of their annual covered salary and the Authority was required to contribute 6.35% of annual covered payroll. Contribution requirements are established by State statute. The Authority's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$232,037, \$203,653 and \$183,848, respectively, equal to the required contributions for each year.

**Metro Waste Authority**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 10, the Authority provides post employment healthcare benefits to all eligible employees who retire from the Authority. The Authority pays the insurance premiums based on the rate of coverage for a single employee until the retired employee reaches age 65. Payments under these benefits totaled \$19,279 for 2009 and \$7,556 for 2008.

**NOTE 12 NOTES RECEIVABLE**

Notes receivable at June 30, 2009 consists of a tenant loan receivable in the amount of \$19,426, with monthly payments due of \$852 including interest at 5%, which matures June 2011. In addition, notes receivable consists of the costs of constructing a salt storage building (\$1,253,726 at June 30, 2009). Area cities will share the costs of construction, with repayment schedules to the Authority being determined after construction is completed.

**NOTE 13 RISK MANAGEMENT**

The Authority 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 purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Authority assumes liability for any deductibles and claims in excess of coverage limitations.

**NOTE 14 CONTINGENCIES**

The Authority is subject to constantly changing laws and regulations at both the federal and state levels. These regulations and related enforcement activities reflect a continuing public and governmental concern in providing for environmentally sound solid and chemical waste collection, transportation, storage, treatment and disposal practices. The impact of present and developing laws, regulations and enforcement activities upon the Authority's future capital and operating costs cannot reasonably be estimated, but management believes that such costs may be significant. In addition, there are a number of inherent risks and uncertainties in operating landfill, transfer station, regional collection and composting sites, with related environmental impact challenges possible. However, the future effect, if any, on the Authority cannot be foreseen at the present time.

**NOTE 15 CONCENTRATION OF CREDIT RISK**

At June 30, 2009, receivables from four customers totaled approximately \$1,050,000, or 65% of total net receivables.

**INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION**

The Board of Directors  
Metro Waste Authority  
Des Moines, Iowa

Our report on our audits of the basic financial statements of Metro Waste Authority for June 30, 2009 and 2008 and the years then ended appears on page 4. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Denman & Company, LLP*  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
November 20, 2009

**Metro Waste Authority**  
**COMBINING STATEMENT OF REVENUES AND EXPENSES, BY DEPARTMENT**  
**Year ended June 30, 2009**

	<u>Combined</u>	<u>Metro Park East Landfill</u>
<b>REVENUES</b>		
Tipping fees, service fees and rental revenue	\$22,334,440	\$10,751,554
<b>EXPENSES</b>		
Operating expenses (excluding depreciation and amortization)	15,715,024	5,606,535
Provision for landfill closure and postclosure care costs	<u>1,266,388</u>	<u>1,266,388</u>
Total operating expenses	<u>16,981,412</u>	<u>6,872,923</u>
Operating income (loss) before depreciation and amortization	<u>5,353,028</u>	<u>3,878,631</u>
<b>DEPRECIATION AND AMORTIZATION</b>		
Depreciation	2,659,138	1,735,975
Amortization	<u>2,388,956</u>	<u>2,388,956</u>
	<u>5,048,094</u>	<u>4,124,931</u>
Operating income (loss)	<u>304,934</u>	<u>(246,300)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Farm (loss), net of related expenses	(64,124)	(64,124)
Investment income	800,914	-
Interest expense	(119,877)	(48,417)
Other	<u>45,935</u>	<u>35,517</u>
Total nonoperating revenues (expenses)	<u>662,848</u>	<u>(77,024)</u>
Increase (decrease) in net assets	<u>\$ 967,782</u>	<u>\$ (323,324)</u>

\*Included in administration is activity of the central office, grant programs, engineering studies, and other miscellaneous Authority activity.

<u>Metro Park West Landfill</u>	<u>Metro Transfer Station</u>	<u>Metro Compost Center</u>	<u>Regional Collection Center</u>	<u>Recycling</u>	<u>Rental- 300 East Locust</u>	<u>Administration*</u>
\$ 275,769	\$5,087,892	\$2,287,616	\$ 799,911	\$2,647,056	\$ 474,982	\$ 9,660
239,795	1,554,329	2,095,163	968,941	2,914,091	461,499	1,874,671
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>239,795</u>	<u>1,554,329</u>	<u>2,095,163</u>	<u>968,941</u>	<u>2,914,091</u>	<u>461,499</u>	<u>1,874,671</u>
<u>35,974</u>	<u>3,533,563</u>	<u>192,453</u>	<u>(169,030)</u>	<u>(267,035)</u>	<u>13,483</u>	<u>(1,865,011)</u>
41,956	404,583	139,636	91,266	—	203,277	42,445
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>41,956</u>	<u>404,583</u>	<u>139,636</u>	<u>91,266</u>	<u>—</u>	<u>203,277</u>	<u>42,445</u>
<u>(5,982)</u>	<u>3,128,980</u>	<u>52,817</u>	<u>(260,296)</u>	<u>(267,035)</u>	<u>(189,794)</u>	<u>(1,907,456)</u>
—	—	—	—	—	—	—
—	—	—	—	—	1,217	799,697
(16,165)	—	—	—	(55,295)	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>8,039</u>	<u>—</u>	<u>—</u>	<u>2,379</u>
<u>(16,165)</u>	<u>—</u>	<u>—</u>	<u>8,039</u>	<u>(55,295)</u>	<u>1,217</u>	<u>802,076</u>
\$ <u>(22,147)</u>	\$ <u>3,128,980</u>	\$ <u>52,817</u>	\$ <u>(252,257)</u>	\$ <u>(322,330)</u>	\$ <u>(188,577)</u>	\$ <u>(1,105,380)</u>

**Metro Waste Authority**  
**COMBINING SUMMARY OF OPERATING EXPENSES EXCLUDING**  
**DEPRECIATION AND AMORTIZATION, BY DEPARTMENT**  
**Year ended June 30, 2009**

	<u>Combined</u>	<u>Metro Park East Landfill</u>
Salaries	\$3,702,645	\$1,612,898
Payroll taxes	517,202	225,120
Benefits	1,064,072	484,823
Site maintenance	843,234	613,126
Recycling programs	2,054,948	—
Vehicle repairs and maintenance	702,811	446,152
Vehicle fuel	887,663	607,529
Computer maintenance	77,373	25,843
Minor equipment	169,831	112,519
Professional services	604,081	186,617
Engineering services	417,658	332,503
Graphics design/contract printing	179,345	9,740
Contract disposal	492,769	855
Property taxes and host fees	432,362	140,476
Telephone and utilities	194,939	68,529
Building and office supplies	258,224	90,057
Advertising	506,151	74,256
Travel	93,657	29,317
Postage	20,388	1,128
Miscellaneous	148,173	72,892
Insurance	215,004	82,475
Leachate processing	400,569	383,332
Investment expense	23,086	—
Machinery and equipment rental	14,246	6,348
Office and facilities rent	59,840	—
Yard waste collection and bags	1,507,713	—
Community cleanup grants	126,591	—
Environmental Management System	<u>449</u>	<u>—</u>
Total operating expenses, excluding depreciation and amortization	<u>\$15,715,024</u>	<u>\$5,606,535</u>

\*Included in administration is activity of the central office, grant programs, engineering studies, and all other miscellaneous Authority activity.

<u>Metro Park West Landfill</u>	<u>Metro Transfer Station</u>	<u>Metro Compost Center</u>	<u>Regional Collection Center</u>	<u>Recycling</u>	<u>Rental- 300 East Locust</u>	<u>Administration*</u>
\$ 89,719	\$ 635,324	\$ 209,527	\$ 330,108	\$ 125,872	\$ -	\$ 699,197
7,782	89,108	28,636	54,730	16,261	-	95,565
8,479	212,731	76,084	95,734	27,148	-	159,073
29,417	76,421	11,519	19,476	-	93,275	-
-	-	-	-	2,054,948	-	-
3,017	217,044	33,364	3,234	-	-	-
13,075	189,053	70,213	7,072	-	-	721
1,424	496	705	968	-	-	47,937
12,600	3,145	2,027	10,196	-	-	29,344
-	-	-	5,533	113,232	-	298,699
36,118	6,938	8,514	1,056	4,484	-	28,045
-	2,700	23,597	534	110,228	-	32,546
-	-	-	275,736	213,244	2,934	-
-	31,642	5,530	31,464	-	223,250	-
1,077	21,696	4,117	27,260	-	51,089	21,171
10,287	25,318	2,901	30,854	355	60,243	38,209
1,841	1,604	44,723	18,792	221,560	-	143,375
1,044	2,480	-	6,603	21,731	-	32,482
68	-	-	172	1,687	-	17,333
177	555	1,728	2,108	3,341	-	67,372
-	36,609	14,265	47,311	-	20,868	13,476
17,237	-	-	-	-	-	-
-	-	-	-	-	-	23,086
6,433	1,465	-	-	-	-	-
-	-	50,000	-	-	9,840	-
-	-	1,507,713	-	-	-	-
-	-	-	-	-	-	126,591
-	-	-	-	-	-	449
<u>\$ 239,795</u>	<u>\$1,554,329</u>	<u>\$2,095,163</u>	<u>\$ 968,941</u>	<u>\$2,914,091</u>	<u>\$ 461,499</u>	<u>\$1,874,671</u>

**Metro Waste Authority**  
**SUMMARY OF HISTORICAL OPERATING INFORMATION**

	<b>Year ended</b>		
	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
<b>REVENUES</b>	\$22,334,440	\$21,416,712	\$19,472,340
<b>EXPENSES</b>			
Operating expenses (excluding depreciation and amortization)	15,715,024	13,899,799	12,570,040
Provision for landfill closure and postclosure care costs	<u>1,266,388</u>	<u>998,862</u>	<u>1,119,852</u>
Operating income before depreciation and amortization	<u>5,353,028</u>	<u>6,518,051</u>	<u>5,782,448</u>
<b>DEPRECIATION AND AMORTIZATION</b>			
Depreciation	2,659,138	2,891,392	2,391,022
Amortization	<u>2,388,956</u>	<u>1,895,793</u>	<u>725,400</u>
	<u>5,048,094</u>	<u>4,787,185</u>	<u>3,116,422</u>
Operating income	<u>304,934</u>	<u>1,730,866</u>	<u>2,666,026</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Farm income (loss), net of related expenses	(64,124)	75,933	92,584
Investment income	800,914	1,431,260	1,730,338
Gain on sale of land and equipment	-	88,106	184,602
Interest expense	(119,877)	(126,549)	(320,253)
Other	<u>45,935</u>	<u>22,740</u>	<u>25,641</u>
Total nonoperating revenues (expenses)	<u>662,848</u>	<u>1,491,490</u>	<u>1,712,912</u>
Increase in net assets	<u>\$ 967,782</u>	<u>\$ 3,222,356</u>	<u>\$ 4,378,938</u>
Percent increase (decrease) from prior period			
Revenues	4.29%	9.99%	5.27%
Operating expenses excluding depreciation and amortization	13.06%	10.58%	6.61%
Provision for depreciation and amortization	5.45%	53.61%	7.65%
Tonnage delivered to landfill (unaudited)	560,468	552,349	495,203
Compost tonnage (unaudited)	30,385	24,990	25,421

\* During 2006, the Authority recognized a change in accounting estimate of \$4,875,566 when the Authority determined that non-composite liners would be utilized in the portions of the landfill in which composite liners are not required.

**June 30**

<u>2006*</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$18,497,337	\$17,499,045	\$17,969,015	\$17,286,179	\$15,847,566	\$13,911,769	\$12,945,110
11,791,128	11,522,222	11,555,055	10,628,158	9,675,573	8,817,890	7,720,885
<u>(4,080,754)</u>	<u>1,553,488</u>	<u>1,443,120</u>	<u>1,489,625</u>	<u>1,789,340</u>	<u>1,762,916</u>	<u>1,735,295</u>
<u>10,786,963</u>	<u>4,423,335</u>	<u>4,970,840</u>	<u>5,168,396</u>	<u>4,382,653</u>	<u>3,330,963</u>	<u>3,488,930</u>
2,169,425	2,074,819	2,066,298	2,110,050	1,940,175	1,795,109	1,609,901
<u>725,400</u>	<u>620,645</u>	<u>772,952</u>	<u>481,966</u>	<u>444,622</u>	<u>425,825</u>	<u>426,300</u>
<u>2,894,825</u>	<u>2,695,464</u>	<u>2,839,250</u>	<u>2,592,016</u>	<u>2,384,797</u>	<u>2,220,934</u>	<u>2,036,201</u>
<u>7,892,138</u>	<u>1,727,871</u>	<u>2,131,590</u>	<u>2,576,380</u>	<u>1,997,856</u>	<u>1,110,029</u>	<u>1,452,729</u>
1,895	13,924	38,771	48,789	114,572	(24,118)	33,631
801,886	796,773	237,312	1,021,380	1,167,396	1,469,503	743,656
4,000	18,038	-	9,072	767,784	-	3,944
(127,154)	(94,187)	(115,820)	(208,697)	(275,165)	(318,388)	(346,707)
<u>17,715</u>	<u>24,185</u>	<u>(1,970)</u>	<u>11,433</u>	<u>18,857</u>	<u>45,220</u>	<u>(434)</u>
<u>698,342</u>	<u>758,733</u>	<u>158,293</u>	<u>881,977</u>	<u>1,793,444</u>	<u>1,172,217</u>	<u>434,090</u>
<u>\$ 8,590,480</u>	<u>\$ 2,486,604</u>	<u>\$ 2,289,883</u>	<u>\$ 3,458,357</u>	<u>\$ 3,791,300</u>	<u>\$ 2,282,246</u>	<u>\$ 1,886,819</u>
5.70%	(2.62)%	3.95%	9.08%	13.91%	7.47%	.55%
2.33%	(.28)%	8.72%	9.85%	9.73%	14.21%	(5.39)%
7.40%	(5.06)%	9.54%	8.69%	7.38%	9.07%	(.43)%
490,599	479,095	513,566	518,392	471,731	425,825	424,582
20,447	20,590	19,209	20,889	17,240	14,917	9,896

**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**

The Board of Directors  
Metro Waste Authority  
Des Moines, Iowa

We have audited the financial statements of Metro Waste Authority as of and for the year ended June 30, 2009, and have issued our report thereon dated November 20, 2009. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Metro Waste Authority'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 an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro Waste Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the Authority's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Authority. 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. Those comments are presented in Part II of the accompanying schedule of findings.

This report, a public record by law, is intended solely for the information and use of the members and constituents of Metro Waste Authority and other parties to whom the Authority may report. This report is not intended to be and should not be used by anyone other than these specified parties.

  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
November 20, 2009

**Metro Waste Authority  
SCHEDULE OF FINDINGS  
Year ended June 30, 2009**

**Part I—Findings Related to the Financial Statements**

No matters regarding significant deficiencies, material weaknesses or instances of noncompliance relative to the financial statements were reported.

**Metro Waste Authority  
SCHEDULE OF FINDINGS  
Year ended June 30, 2009**

**Part II—Findings Related to Required Statutory Reporting**

**09-II-A QUESTIONABLE EXPENSES**

No questionable expenditures of Authority funds were noted.

**09-II-B TRAVEL EXPENSE**

No expenditures of Authority money for travel expenses of spouses of Authority officials or employees were noted.

**09-II-C BOARD MINUTES**

No transactions were found that we believe should have been approved in the Authority minutes but were not.

**09-II-D DEPOSITS AND INVESTMENTS**

No instances on noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Authority's investment policy were noted.

**09-II-E SOLID WASTE FEES RETAINAGE**

During the year ended June 30, 2009, the Authority used or retained the solid waste fees in accordance with Chapter 455B.310 of the Code of Iowa.

**09-II-F FINANCIAL ASSURANCE**

The Authority has demonstrated financial assurance for closure and postclosure care costs by establishing a local government dedicated fund as provided in Chapter 111.6(8) of the Iowa Administrative Code. Amounts are as follows:

	<u>Closure</u>	<u>Postclosure</u>
Total estimated costs for closure and postclosure care at June 30, 2009	\$2,962,832	\$8,308,701
Less balance of funds held in the local dedicated fund at June 30, 2009	<u>2,962,832</u>	<u>8,308,701</u>
	-	-
Divided by the number of years remaining in the pay-in period	÷ <u>1</u>	÷ <u>1</u>
Required payment into the local dedicated fund for the year ended June 30, 2009	\$ <u>—</u>	\$ <u>—</u>
Required balance of funds held in the local dedicated fund at June 30, 2009	<u>\$2,962,832</u>	<u>\$8,308,701</u>
Amount Authority has restricted for closure and postclosure care at June 30, 2009	<u>\$2,962,832</u>	<u>\$8,308,701</u>