BUENA VISTA COUNTY
SOLID WASTE COMMISSION

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENT AND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2011

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Buena Vista County Solid Waste Commission

Officials

Name	Title	Representing
David Wiley	Chairperson	City of Newell
David Althaus	Vice Chair	City of Sioux Rapids
Tom Huseman	Secretary	City of Alta
Mike Wilson	Treasurer	City of Storm Lake
Erik Mosbo	Member	City of Rembrandt
Gary Wallburg	Member	City of Lakeside
Don Altena	Member	Buena Vista County
Barry Meyer	Member	City of Truesdale
Starr Abbas	Member	City of Marathon
Abe Falkena	Member	City of Albert City
City Clerk	Member	City of Linn Grove

T.P. ANDERSON & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Independent Auditor's Report

To the Members of the
Buena Vista County Solid Waste Commission:

We have audited the accompanying financial statement, listed as Exhibit A in the table of contents, of the Buena Vista County Solid Waste Commission as of and for the year ended June 30, 2011. This financial statement is the responsibility of the Buena Vista County Solid Waste Commission's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our audit provides a reasonable basis for our opinion.

Management's Discussion and Analysis is not required to be a part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. The Buena Vista County Solid Waste Commission (the Commission) has not presented the Management's Discussion and Analysis.

As described in Note 1, this financial statement is prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of the Buena Vista County Solid Waste Commission as of June 30, 2011, and the changes in its cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2011, on our consideration of the Buena Vista County 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.

T. P. Anderson & Company P.C.

October 7, 2011

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Buena Vista County Solid Waste Commission
Statement of Cash Receipts, Disbursements and
Changes in Cash Basis Net Assets
As of and for the Year Ended June 30, 2011

Operating receipts:	
City and County assessments	$ 765,365
User fees and gate receipts	693,663
Sale of recycled products	72,110
Pop can redemption	94,083
Finance charges	190
Rent	10,156
Miscellaneous	18,876
Total operating receipts	1,654,443
Operating disbursements:	
Salaries and benefits	696,454
Solid waste exchange	482,504
Monthly meeting reimbursement	2,780
Equipment maintenance and repairs	15,148
Fuel, oil and lubricants	35,512
Operating supplies and repairs	3,454
Office expenses	12,491
Utilities	9,439
Travel and continuing education	1,463
Insurance	57,556
Engineering	14,818
Legal and accounting services	39,101
Garbage hauling	166,629
Pop can redemption	74,428
Real estate taxes	2,094
Solid waste fees and sales tax	1,077
Regional collection center	12,409
White goods disposal	2,050
Tire disposal	1,079
Gate closing	1,520
Miscellaneous	13,770
Total operating disbursements	1,645,776
Excess (Deficiency) of operating receipts over (under) operating disbursements	8,667

See Notes to Financial Statement

EXHIBIT A

Buena Vista County Solid Waste Commission
Statement of Cash Receipts, Disbursements and
Changes in Cash Basis Net Assets
As of and for the Year Ended June 30, 2011

Non-operating receipts (disbursements)	
Loan proceeds	747,000
Interest on investments	404
Closure costs	(69,087)
Sale of land and equipment	783,626
Grant income	31,489
Debt payments	(1,108,523)
Net non-operating receipts	384,909
Net change in cash basis net assets	393,576
Cash basis net assets, beginning of year	(11,519)
Cash basis net assets, end of year	$ 382,057

Cash Basis Net Assets	
Restricted For:	
Closure and postclosure	$ 167,102
Total restricted net assets	167,102
Unrestricted	214,955
Total cash basis net assets	$ 382,057

See Notes to Financial Statement

(1) Summary of Significant Accounting Policies

The Buena Vista County Solid Waste Commission (the Commission) was formed pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to develop, operate and maintain solid waste and recycling facilities in Buena Vista County on behalf of the units of government which are members of the Commission.

The governing body of the Commission is composed of one representative from each of the nine member cities and one representative from Buena Vista County. The member cities are Albert City, Alta, Lakeside, Marathon, Newell, Rembrandt, Sioux Rapids, Storm Lake, Truesdale, and Linn Grove. The commissioners are appointed by the participating political subdivisions and each has one vote.

A. Reporting Entity

For financial reporting purposes, the Buena Vista County Solid Waste Commission has included all funds, organizations, 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 statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Commission 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 Commission. The Commission has no component units which meet the Governmental Accounting Standards Board criteria.

B. Jointly Governed Organization

The Commission also participates in a jointly governed organization, PCB Solid Waste Commission, whose purpose is to provide leadership in developing and preparing a joint comprehensive Solid Waste Management Plan and to assist in facilitating the disposal of any type of solid waste within the geographic area of the Commission.

Plymouth, Cherokee, and Buena Vista landfills are members of PCB Solid Waste Commission.

The Commission does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating Commissions.

C. Basis of Presentation

The accounts of the Commission are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Budget and Budgetary Accounting

The Buena Vista County Solid Waste Commission is not required to adopt a legally binding budget and therefore is not requried to present a comparison of actual and budgeted results as required supplementary information.

E. Basis of Accounting

The Buena Vista County Solid Waste Commission maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Commission is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items, including the estimated payables for closure and postclosure care. Accordingly, the financial statement does not present the financial position and results of operations of the Commission in accordance with accounting principles generally accepted in the United States of America.

F. Net Assets

Funds set aside for payment of closure and postclosure care are classified as restricted.

(2) Cash and Investments

The Commission's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The 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.

Interest rate risk. The Commission's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year of within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Commission.

(3) 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, 50306-9117.

Plan members are required to contribute 4.50% of their annual salary and the Commission is required to contribute 6.95% of annual covered payroll. Contribution requirements are established by state statute. The Commission's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009 were $38,747, $41,100, and $39,547, respectively, equal to the required contributions for each year.

(4) Other Postemployment Benefits (OPEB)

Plan Description – The Commission operates a single-employer retiree benefit plan which provides medical benefits for retirees and their spouses. There were 7 active members in the plan at June 30, 2011. Participants must be age 55 or older at retirement.

The medical benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical benefits as active employees.

Funding Policy – The contribution requirements of plan members are established and may be amended by the Commission. The Commission currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Commission and plan members are approximately $440 for single coverage and $1,100 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2011, the Commission contributed approximately $43,478 and plan members eligible for benefits contributed approximately $19,459 to the plan.

(5) Closure and Postclosure Care

To comply with federal and state regulations, the Commission 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 care requirements for all municipal solid waste landfills that received 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 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 year. Estimated total costs 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 due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Commission have been estimated to be $25,240 for closure and $969,220 for postclosure, for a total of $994,460 as of June 30, 2011. These liabilities have been guaranteed by Buena Vista County per Chapter 567-113.14(6f) of the Iowa Administrative Code. The landfill is no longer accepting solid waste and is operating as a transfer station and recycling center.

In addition to the Buena Vista County guarantee, the Commission has begun to accumulate resources to fund post-closure costs, and at June 30, 2011, assets of $167,102 are restricted for this purpose. They are reported as restricted cash basis net assets in the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets.

Also, pursuant to Chapter 567-113.14 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 has adopted the dedicated fund financial assurance mechanism. Under this mechanism, the Commission must certify the following to the Iowa Department of Natural Resources:

- The fund is dedicated by local government statute as a reserve fund.
- Payments into the fund are made annually over a pay-in period of ten years or the permitted life of the landfill, whichever is shorter.
- Annual deposits to the fund are determined by the following formula:

$$NP = \frac{CE - CB}{Y}$$

NP = next payment
CE = total required financial assurance
CB = current balance of the fund
Y = number years remaining in the pay-in period

Chapter 567-113.14(8) of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the Commission is not required to establish closure and postclosure accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

(6) Risk Management

The Commission is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 645 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials' liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool'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 150 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 Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Commission's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Commission's annual contributions to the Pool for the year ended June 30, 2011 were $30,589.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to $350,000 per claim. Claims exceeding $350,000 are reinsured in an amount not to exceed $2,650,000 per claim. For members requiring specific coverage from $3,000,000 to $12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to $150,000 each occurrence, each location, with excess coverage reinsured by the Travelers Insurance Company.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that 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. As of June 30, 2011, settled claims have not exceeded the risk pool or reinsurance coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The Commission also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and the employee blanket bond in the amount of $1,000,000 and $200,000 respectively. The Commission assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(7) Compensated Absences

Commission employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Commission until used or paid. The Commission's approximate liability for earned vacation payments at June 30, 2011 was $11,669. This liability has been computed based on rates of pay in effect at June 30, 2011.

(8) Notes and Loans

A summary of changes in long-term debt for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Issued	Paid	Balance End of Year	Interest Paid
BV County promissory note	$ 19,286	-	19,286	-	-
Citizens First National Bank loan	78,400	-	19,600	58,800	2,880
Citizens First National Bank loan	367,000	-	367,000	-	4,465
Citizens First National Bank loan	60,000	-	60,000	-	730
Citizens First National Bank loan	-	747,000	572,000	175,000	20,347
Iowa Dept of Natural Resources loan	9,920	-	9,920	-	-
Iowa Dept of Natural Resources loan	86,748	-	32,295	54,453	-
	$ 621,354	747,000	1,080,101	288,253	28,422

The Commission had an unsecured promissory note in the original amount of $94,486 payable to Buena Vista County. Repayment of this interest-free loan to the County began August 1, 1993, with annual payments of $4,700 over a 20-year period. This note was retired in the year ended June 30, 2010.

On October 31, 2008, the Commission obtained a promissory note in the amount of $98,000 from Citizens First National Bank to finance the purchase of a 2009 Caterpillar end-loader. The terms of the note stipulate five annual payments of $19,600 due each November 1, beginning in 2009, with interest due each May and November 1. The note bears interest at 4.20% and has a balance of $58,800 at June 30, 2011.

On May 15, 2009, the Commission obtained a promissory note from Citizens First National Bank to provide long-term financing for the construction of the municipal solid waste sorting building. The outstanding balance on this note at June 30, 2010 was $367,000. Repayment terms include principal payments of $35,000 due each January 15th beginning in 2010, with interest due each January and July 15th. The note bears interest at 3.65%. This note was paid in full in November 2010.

On February 22, 2010, the Commission obtained a $60,000 revolving line of credit from Citizens First National Bank to provide short term cash flow assistance. Repayment terms include principal payments of $60,000 due February 15, 2011, with interest due quarterly. The note bears interest at 3.65%. This note was paid in full in November 2010.

On November 9, 2010, the Commission obtained short term financing of $747,000. The proceeds were used to retire $427,000 in outstanding notes at that time and to provide cash flow for the Commission.

The new note accrues interest at 3.65% and matures July 1, 2011. The note is collateralized by real property. At June 30, 2011 the balance in this not was $175,000. As described in Note 10, this note was refinanced in July, 2011.

The Commission has obtained an interest-free loan from the Iowa Department of Natural Resources for a modification of the Commission's current recycling system. The maximum amount available under this loan is $53,066 with $20,000 considered forgivable and not required to be repaid. Repayment of this interest-free loan began January 15, 2008, with quarterly payments of $1,653 due over a five-year period. This note was retired in the year ended June 30, 2011.

The Commission has obtained an interest-free loan from the Iowa Department of Natural Resources to fund the construction of a municipal solid waste sorting building. The maximum amount available under this loan is $108,435. Repayment of this interest-free loan began January 15, 2009, with quarterly payments of $5,422 due over a five-year period. At June 30, 2011 this note has an outstanding balance of $54,453.

Annual debt service requirements to maturity for Commission's notes and loans are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	$ 42,612	9,284	51,896
2013	44,464	8,539	53,003
2014	45,205	7,398	52,603
2015	26,384	6,268	32,652
2016	27,204	5,449	32,653
2017-2022	102,384	13,421	115,775
	$ 288,253	50,359	338,582

(9) Economic Dependency

For the year ended June 30, 2011, two customers accounted for approximately 43% of the gate receipts for the Commission.

(10) Significant Transactions

During the year ended June 30, 2011 the Commission identified certain obligations that had not been paid in a timely manner. The Commission paid payroll taxes of approximately $100,000 including penalties and interest , IPERS of approximately $53,000, and hauling charges of approximately $82,000 during the year ended June 30, 2011 that were incurred and due to be paid in the year ended June 30, 2010 but unpaid due to poor cash flow.

The payroll taxes and IPERS referred to in the previous paragraph are included on the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets and classified as Salaries and benefits. The hauling charges referred to in the previous paragraph are included on the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets and classified as Garbage hauling.

(11) Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through October 7, 2011, the date these financial statements were issued.

On July 1, 2011, The Commission refinanced $175,000 of existing short-term debt at a local bank at a rate of 5.00%. Repayment terms are 120 monthly payments of $1,856.71 beginning August 1, 2011, with a maturity date of July 1, 2021. The note is collateralized by substantially all Commission real property. The minimum principal and interest required under this note agreement are included with the schedule in footnote number 8.

T.P. ANDERSON & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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*

To the Members of the Buena Vista County Solid Waste Commission:

We have audited the accompanying financial statement of the Buena Vista County Solid Waste Commission as of and for the year ended June 30, 2011, and have issued our report thereon dated October 7, 2011. Our report expressed an unqualified opinion on the financial statement which was prepared in conformity with an other comprehensive basis of accounting. 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

Management of the Buena Vista County Solid Waste Commission (the Commission) is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Buena Vista County 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 the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statement is 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.

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Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2011, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement 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.

The 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 the 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 members and customers of the Buena Vista County Solid Waste Commission and other parties to whom the Commission may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel and representatives of the Buena Vista County 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.

T.P. Anderson & Company, P.C.

October 7, 2011

Part I: Other Findings Related to Required Statutory Reporting:

I-A-11 Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

I-B-11 Travel Expense – No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.

I-C-11 Commission Minutes – We found that the minutes for the January 28, 2011 meeting were not signed, and the wages of Commission employees were not published.

Criteria – The Code of Iowa establishes requirements for the publications as follows:

Chapter 28E.6(3) requires that meeting minutes be published within 20 days after the meeting, and they must include, among other items, receipts, claims, and the date, time and place of the meeting. In addition, the minutes must be signed.

Chapter 28E.6(3) requires that wages must be published once per year for each person regularly employed by the entity.

Cause – The Commission was not aware of all requirements with respect to minutes.

Effect – The Commission is not in compliance with publication requirements.

Recommendation – We recommend the minutes for each Board of Directors meeting be signed and that the publication of the minutes include a list of all bills paid including the purpose for the payment and a summary of the receipts received by the Commission. We recommend the salaries for Commission employees be published annually.

Client response – The Commission will publish all future Board of Directors meeting minutes in a timely manner, and comply with other publication requirements.

Conclusion – Response accepted.

I-D-11 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 written investment policy.

I-E-11 Financial Assurance – The Commission has demonstrated financial assurance for closure and postclosure care by obtaining a local government guarantee as provided in Chapter 113.14(6f) of the Iowa Administrative Code (IAC) Section 567 and by requesting a variance to IAC Section 567, which requires fully funding closure and postclosure accounts before the closure of the landfill. The variance has been approved and provides as follows:

a. Use the remaining life of the Buena Vista County landfill to set aside funds in the closure account for costs to close the landfill consistent with the landfill engineer's closure estimate; and,

b. Within nine (9) years after close of the landfill or by June 30, 2018, whichever is shorter, set aside funds in the postclosure accounts for costs to maintain the site for the remainder of the postclosure period consistent with the landfill engineer's postclosure cost estimate.

The total identified costs for closure and postclosure care is $969,220. Buena Vista County has guaranteed this liability. In addition to this guarantee, the Commission has begun to accumulate resources to fund post-closure costs, and at June 30, 2011, assets of $167,201 are restricted for this purpose.

Iowa Department of Natural Resources rules and regulations require deposits into the closure and postclosure care accounts be made at least yearly, and the deposits shall be made within 30 days of the close of each fiscal year. The Commission had made all required deposits as of June 30, 2011.