

**BUENA VISTA COUNTY  
SOLID WASTE COMMISSION**

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

**JUNE 30, 2013**

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## Buena Vista County Solid Waste Commission

### Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
David Wiley	Chairperson	City of Newell
Gary Wallburg	Vice Chair	City of Lakeside
Tom Huseman	Secretary	City of Alta
Mike Wilson	Treasurer	City of Storm Lake
Erik Mosbo	Member	City of Rembrandt
Andrew Hasley	Member	City of Sioux Rapids
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



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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Independent Auditor's Report

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

**Report on the Financial Statements**

We have audited the accompanying financial statement of the Buena Vista County Solid Waste Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on the financial statement based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of the Buena Vista County Solid Waste Commission as of June 30, 2013,

and the changes in its cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

**Basis of Accounting**

As described in Note 1, the financial statement was prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013 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* in considering Buena Vista County Solid Waste Commission's internal control over financial reporting and compliance.

*T. P. Anderson & Company P.C.*

November 12, 2013

**Buena Vista County Solid Waste Commission**  
**Statement of Cash Receipts, Disbursements and**  
**Changes in Cash Balance**  
**As of and for the Year Ended June 30, 2013**

**Operating receipts:**

City and County assessments	\$ 749,620
User fees and gate receipts	716,492
Sale of recycled products	96,324
Rent	1,475
Miscellaneous	4,635
Total operating receipts	1,568,546

**Operating disbursements:**

Salaries and benefits	392,983
Solid waste exchange	306,855
Monthly meeting reimbursement	4,465
Equipment maintenance and repairs	22,294
Fuel, oil and lubricants	23,134
Operating supplies and repairs	6,011
Office expenses	16,094
Utilities	9,155
Travel and continuing education	2,678
Insurance	35,628
Engineering	16,910
Legal and accounting services	45,186
Garbage hauling	243,564
Real estate taxes	252
Solid waste fees and sales tax	21,813
Regional collection center	9,691
Tire disposal	1,628
Miscellaneous	714
Total operating disbursements	1,159,055

**Excess (Deficiency) of operating receipts  
over (under) operating disbursements**

409,491

**Non-operating receipts (disbursements)**

Interest on investments	2,712
Closure costs	(9,101)
Purchase of equipment/facilities	(84,989)
Debt payments	(170,253)
Net non-operating receipts	(261,631)

**See Notes to Financial Statement**

**Buena Vista County Solid Waste Commission  
Statement of Cash Receipts, Disbursements and  
Changes in Cash Balance  
As of and for the Year Ended June 30, 2013**

<b>Change in cash balance</b>	147,860
<b>Cash balance, beginning of year</b>	<u>887,775</u>
<b>Cash balance, end of year</b>	<u><u>\$ 1,035,635</u></u>
<b>Cash Basis Net Position</b>	
Restricted For:	
Closure	\$ 27,524
Postclosure	<u>307,146</u>
Total restricted cash basis net position	334,670
Unrestricted	<u>700,965</u>
Total cash basis net position	<u><u>\$ 1,035,635</u></u>

BUENA VISTA COUNTY SOLID WASTE COMMISSION

NOTES TO FINANCIAL STATEMENT

June 30, 2013

**(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 ten 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, CB Household Hazardous Waste Agency, whose purpose is to coordinate the collection and disposal of household hazardous waste.

Cherokee and Buena Vista landfills are members of CB Household Hazardous Waste Agency.

CB Household Hazardous Waste Agency 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.

# BUENA VISTA COUNTY SOLID WASTE COMMISSION

## NOTES TO FINANCIAL STATEMENT

June 30, 2013

### D. 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.

### E. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of contingent liabilities. Actual results could differ from estimates that were used.

### F. Net Position

Funds set aside for payment of closure and postclosure care are classified as restricted. The Commission's policy is to first apply restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted cash basis net position are available.

## (2) **Cash and Investments**

The Commission's deposits in banks at June 30, 2013 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 or 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

BUENA VISTA COUNTY SOLID WASTE COMMISSION

NOTES TO FINANCIAL STATEMENT

June 30, 2013

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 5.78% of their annual salary and the Commission is required to contribute 8.67% of annual covered payroll. Contribution requirements are established by state statute. The Commission's contributions to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$24,673, \$22,761, and \$38,747, 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 8 active members in the plan at June 30, 2013. 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 \$546 for single coverage and \$1,358 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2013, the Commission contributed approximately \$43,495 and plan members eligible for benefits contributed approximately \$500 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

BUENA VISTA COUNTY SOLID WASTE COMMISSION

NOTES TO FINANCIAL STATEMENT

June 30, 2013

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 \$27,524 for closure and \$659,640 for post-closure, for a total of \$687,164 as of June 30, 2013. This liability has 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 postclosure costs, and at June 30, 2013, assets of \$307,146 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 Balance.

Also, pursuant to Chapter 567-113.14 of the Iowa Administrative Code (IAC), since the estimated post-closure 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) Transfer Station Closure Care**

To comply with state regulations, the Commission 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 which have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles which will remain on site, including the rinsing of all surfaces which have come in contact with solid waste, and the removal and proper management of all washwater management system.

# BUENA VISTA COUNTY SOLID WASTE COMMISSION

## NOTES TO FINANCIAL STATEMENT

June 30, 2013

To comply with state regulations, the Commission 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.

The total closure care costs for the Commission as of June 30, 2013 have been estimated at \$27,524. This amount is fully funded and is reported as restricted cash basis net assets in the Statement of Cash Receipts, Disbursements, and Changes in Cash Balance.

### **(7) 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 679 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, 2013 were \$24,014.

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

BUENA VISTA COUNTY SOLID WASTE COMMISSION

NOTES TO FINANCIAL STATEMENT

June 30, 2013

the respective individual member. As of June 30, 2013, 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.

**(8) 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, 2013 was \$17,325. This liability has been computed based on rates of pay in effect at June 30, 2013.

**(9) Notes and Loans**

A summary of changes in long-term debt for the year ended June 30, 2013 is as follows:

	Balance Beginning of Year	Issued	Paid	Balance End of Year	Interest Paid
Citizens First National Bank loan	121,770	-	121,770	-	1,809
Iowa Dept of Natural Resources loan	46,674	-	46,674	-	-
	<u>\$ 168,444</u>	<u>-</u>	<u>168,444</u>	<u>-</u>	<u>1,809</u>

The Commission has an outstanding bank loan with a local financial institution. The note called for monthly payments of \$1,857 and accrued interest at a rate of 5%. This note was paid in full during the year ended June 30, 2013.

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. This note was paid off early during the year ended June 30, 2013.

BUENA VISTA COUNTY SOLID WASTE COMMISSION

NOTES TO FINANCIAL STATEMENT

June 30, 2013

**(10) Economic Dependency**

For the year ended June 30, 2013, two customers accounted for approximately 43% of the gate receipts for the Commission.

**(11) Subsequent Events**

Management has evaluated events and transactions for potential recognition or disclosure through November 12, 2013, the date these financial statements were issued.



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Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Buena Vista County Solid Waste Commission as of and for the year ended June 30, 2013, and the related notes to financial statement, and have issued our report thereon dated November 12, 2013. Our report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Buena Vista County Solid Waste Commission's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Buena Vista County Solid Waste Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Buena Vista County Solid Waste Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Buena Vista County Solid Waste Commission's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Buena Vista County Solid Waste 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. The

results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2013 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.

### **Buena Vista County Solid Waste Commission's Responses to Findings**

The Buena Vista County Solid Waste Commission's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The Buena Vista County Solid Waste Commission's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel 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.*

November 12, 2013

BUENA VISTA COUNTY SOLID WASTE COMMISSION

SCHEDULE OF FINDINGS

Year Ended June 30, 2013

**Part I: Other Findings Related to Required Statutory Reporting:**

- I-A-13 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-13 Travel Expense – No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.
- I-C-13 Commission Minutes – No transactions were found that we believe should have been approved in the commission minutes but were not.
- I-D-13 Deposits and Investments –We noted that two CD’s owned by the Commission were held at Security Trust & Savings Bank. This bank was not included on the Commission’s depository resolution.

Criteria – Iowa Code Section 12C.2 states, “the approval of a financial institution as a depository of public funds for a public body shall be by written resolution or order that shall be entered of record in the minutes of the approving board, and that shall distinctly name each depository approved, and specify the maximum amount that may be kept on deposit in each depository.”

Cause – The Commission board did not consider the need to update the depository resolution that was in place prior to opening the new certificates of deposit.

Effect – The Commission did not comply with the Code of Iowa with respect to the money on deposit at Security Trust and Savings Bank.

Recommendation – The Commission should update its depository resolution to include all banks with which it has money on deposit and approve a maximum dollar amount that can be on deposit with each specific bank used.

Response – We will update our depository resolution to bring it in compliance with the Code of Iowa.

Conclusion – Response accepted.

- I-E-13 Financial Assurance – The Commission has demonstrated financial assurance for closure and post closure 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 post closure 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,

BUENA VISTA COUNTY SOLID WASTE COMMISSION

SCHEDULE OF FINDINGS

Year Ended June 30, 2013

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

The Commission has set aside funds as follows in compliance with the variance requirements listed above.

	Closure	Postclosure Care
Total estimated costs for closure and postclosure care	\$ 27,524	\$ 659,640
Less: Balance of funds held in the local dedicated fund at June 30, 2012	26,286	236,397
	1,238	423,243
Divided by the number of years remaining in the pay-in-period	1	/6
Required payment into the local dedicated fund for the year ended June 30, 2013	1,238	70,540
Balance of funds held in the local dedicated fund at June 30, 2012	26,286	236,397
Balance of funds required to be held in the local dedicated fund at June 30, 2013	\$ 27,524	\$ 306,937
Amount the Commission has restricted and reserved for closure and postclosure care at June 30, 2013	\$ 27,524	\$ 307,146

Iowa Department of Natural Resources rules and regulations require deposits into the closure and post closure care accounts be made at least yearly, and the deposits shall be made within 30 days of the close of each fiscal year.