OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Des Moines, Iowa 50319-0004

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David A. Vaudt, CPA
Auditor of State

NEWS RELEASE

Contact: Andy Nielsen
FOR RELEASE March 14, 2003 515/281-5515

The Office of Auditor of State today released an audit report on the Page County Landfill Association.

The Association had total revenues of $622,329 for the year ended June 30, 2002, which included gate fees of $544,106. The Association had total revenues of $688,577 during the year ended June 30, 2001, which included gate fees of $547,145.

Expenses totaled $745,886 for the year ended June 30, 2002, which included $130,570 for employee salaries and benefits, $241,474 for closure and postclosure care costs and $78,840 for planning and recycling. Expenses totaled $418,663 for the year ended June 30, 2001, which included $121,061 for employee salaries and benefits and $89,165 for planning and recycling.

A copy of the audit report is available for review in the office of the Auditor of State and the Page County Landfill Association.

# # #

PAGE COUNTY LANDFILL ASSOCIATION

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS
SCHEDULE OF FINDINGS

JUNE 30, 2002 AND 2001

Table of Contents

Page County Landfill Association

Officials

Name	Title	Representing
Robert Anderson	Chairperson	Board of Supervisors
Frank Snyder	Vice-Chairperson	City of Clarinda
Ray Bryant	Member	City of Shenandoah
Robert Wilson	Member	City of Braddyville
Bob Carroll	Member	City of College Springs
Lee Roy Heerman	Member	City of Coin
Wendy Brownfield	Member	City of Blanchard
James Long	Member	City of Essex
Leon Larsen	Member	City of Yorktown
Sam Woodruff	Member	City of Shambaugh
Gary Pollman	Member	City of Northboro
Ray Wills	Member	City of Hepburn
Myron Maguitz	Manager	
Judy Heuer	Secretary	

Page County Landfill Association

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David A. Vaudt, CPA
Auditor of State

Independent Auditor's Report

To the Members of the Page County Landfill Association:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of the Page County Landfill Association, as of and for the years ended June 30, 2002 and 2001. These general purpose financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Page County Landfill Association at June 30, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2002 on our consideration of Page County Landfill Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 6, 2002

Page County Landfill Association

Financial Statements

Page County Landfill Association

Balance Sheet

June 30, 2002 and 2001

	2002	2001
Assets		
Current assets:		
Cash	$ 141,098	137,154
Certificates of deposit	448,788	525,708
Accounts receivable (net of allowances for doubtful accounts: 2002: $1,847; 2001: $1,847)	32,084	33,771
Accrued interest	11,018	17,539
Due from other governments	19,458	20,873
Prepaid insurance	5,915	5,915
Total current assets	658,361	740,960
Restricted assets:		
Cash	1,407	1,827
Certificates of deposit	867,689	832,005
	869,096	833,832
Property and equipment, net of accumulated depreciation (note 4)	863,234	711,295
Total assets	$ 2,390,691	2,286,087
Liabilities and Fund Equity		
Current liabilities:		
Accounts payable	$ 4,330	12,148
Salaries and benefits payable	6,240	6,190
Compensated absences	9,723	9,692
Due to other governments	5,947	6,738
Capital lease	-	4,785
Total current liabilities	26,240	39,553
Non-current liabilities:		
Estimated liability for landfill closure and postclosure care costs (note 5)	767,972	526,498
Total liabilities	794,212	566,051
Fund equity:		
Retained earnings:		
Reserved for:		
Recycling funds	928	999
Closure and postclosure care	868,168	832,833
Unreserved	727,383	886,204
Total fund equity	1,596,479	1,720,036
Total liabilities and fund equity	$ 2,390,691	2,286,087

See notes to financial statements.

Page County Landfill Association

Statement of Revenues, Expenses and
Changes in Retained Earnings

Years ended June 30, 2002 and 2001

	2002	2001
Operating revenues:		
Gate fees	$ 544,106	547,145
Other operating revenues	17,673	2,797
Total operating revenues	561,779	549,942
Operating expenses:		
Salaries and benefits	130,570	121,061
Machinery maintenance, labor and parts	24,880	17,132
Oil and gas	14,636	14,575
Long range planning and engineering	27,105	15,842
Site maintenance	4,419	11,077
Site utilities	7,922	7,105
Office expenses	827	1,460
Training and travel	477	650
Legal and accounting	3,779	3,341
Insurance	29,750	24,672
Closure and postclosure care costs	241,474	(14,337)
Planning and recycling	78,840	89,165
Iowa Department of Natural Resources tonnage fees	22,035	23,551
Depreciation	95,856	75,596
Sales tax	2,737	2,910
Leachate treatment, collection and maintenance	48,845	24,008
Miscellaneous	11,734	855
Total operating expenses	745,886	418,663
Operating income (loss)	(184,107)	131,279
Non-operating revenues:		
Interest income	60,550	94,411
State tire grant	-	12,000
Gain on disposition of equipment	-	32,224
Total non-operating revenues	60,550	138,635
Net income (loss)	(123,557)	269,914
Retained earnings beginning of year	1,720,036	1,450,122
Retained earnings end of year	$ 1,596,479	1,720,036

See notes to financial statements.

Page County Landfill Association

Statement of Cash Flows

Years ended June 30, 2002 and 2001

	2002	2001
Cash flows from operating activities:		
Cash received from gate fees	$ 547,209	543,535
Cash received from other operating receipts	17,673	2,797
Cash payments to suppliers for goods and services	(286,675)	(229,607)
Cash payments to employees for services	(130,410)	(119,163)
Net cash provided by operating activities	147,797	197,562
Cash flows from capital and related financing activities:		
Principal payments on capital lease	(4,785)	(14,230)
Purchase of property and equipment	(247,795)	(417,811)
Non-operating grant received	-	12,000
Net cash used for capital and related financing activities	(252,580)	(420,041)
Cash flows from investing activities:		
Proceeds from redemption of certificates of deposit	351,935	-
Purchase of certificates of deposit	(310,700)	(110,470)
Interest received	67,071	91,981
Net cash provided (used) for investing activities	108,306	(18,489)
Net increase (decrease) in cash and cash equivalents	3,523	(240,968)
Cash and cash equivalents at beginning of year	138,982	379,950
Cash and cash equivalents at end of year (includes restricted funds of $1,407 for 2002 and $1,828 for 2001)	$ 142,505	138,982
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (184,107)	131,279
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	95,856	75,596
Closure and postclosure care costs	241,474	(14,337)
Changes in assets and liabilities:		
(Increase) decrease in receivables	3,102	(3,610)
(Increase) in prepaid items	-	(143)
Increase (decrease) in payables	(8,528)	8,777
Total adjustments	331,904	66,283
Net cash provided by operating activities	$ 147,797	197,562

See notes to financial statements.

Page County Landfill Association

Notes to Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

The Page County Landfill Association was formed in 1973 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Association is to operate the sanitary landfill in Page County for use by all residents of the County.

The Association is composed of one representative from each of the eleven member cities and one representative from Page County. The member cities are: Clarinda, College Springs, Northboro, Coin, Yorktown, Shambaugh, Braddyville, Blanchard, Shenandoah, Essex and Hepburn. The representative of a city is appointed by the political subdivision to be represented. Each member shall be entitled to one vote for each 1,500 people or fraction thereof as determined by the most recent general Federal Census.

A. Reporting Entity

For financial reporting purposes, the Page County Landfill Association has included all funds, organizations, agencies, boards, commissions and authorities. The Association 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 Association are such that exclusion would cause the Association'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 Association 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 Association. The Page County Landfill Association has no component units which meet the Governmental Accounting Standards Board criteria.

B. Fund Accounting

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

C. Measurement Focus

Enterprise Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheet. The reported fund equity, net total assets, is reported as retained earnings. The operating statement presents increases (revenue) and decreases (expenses) in net total assets.

In reporting the financial activity of its proprietary fund, the Association 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.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with standards set forth by the Governmental Accounting Standards Board. Revenues are recognized when they are earned and expenses are recognized or recorded when they are incurred.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash Equivalents – The Association considers all short-term cash investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months. Cash equivalents of the Association include money market accounts. Cash investments not meeting the definition of cash equivalents at June 30, 2002 included certificates of deposit of $1,316,477.

Restricted Assets – Certain certificates of deposits and money market accounts are classified as restricted assets since the Association has identified and limited their use only for recycling and future closure and postclosure care costs.

Property and Equipment – Property and equipment are accounted for at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Buildings and land/site improvements are depreciated over estimated useful lives ranging from ten to fifteen years and equipment is depreciated over estimated useful lives ranging from three to fourteen years.

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 of assets disposed of are deleted, with any gain or loss recorded in current operations.

Interest is capitalized on qualified assets acquired with certain tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. There were no qualifying assets acquired during the year ended June 30, 2002.

Compensated Absences – Association employees accumulate a limited amount of earned but unused vacation, sick leave and comp time hours for subsequent use or for payment upon termination, death or retirement. The Association's compensated absences liability has been computed based on rates of pay in effect at June 30, 2002.

(2) Cash and Investments

The Association's deposits in banks at June 30, 2002 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 depositories to insure there will be no loss of public funds.

The Association 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 Association; 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.

At June 30, 2002, the Association had cash on hand of $100 and deposits as follows:

Certificates of deposit	$1,316,477
Checking account	(50,641)
Savings accounts	135,530
Total	$1,401,366

In addition, the Association had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of $57,516 pursuant to Rule 2a-7 under the Investment Company Act of 1940 and are not subject to risk categorization.

(3) Pension and Retirement Benefits

The Association 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 3.70% of their annual covered salary and the Association is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Association's contribution to IPERS for the years ended June 30, 2002, 2001 and 2000 were $5,650, $5,285, and $4,957, respectively, equal to the required contributions for each year.

(4) Property and Equipment

A summary of changes in property and equipment for the year ended June 30, 2002 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land and improvements	$ 351,439	25,147	-	376,586
Buildings	90,089	-	-	90,089
Equipment	805,573	222,648	137,018	891,203
Total	$1,247,101	247,795	137,018	1,357,878
Less accumulated depreciation				(494,644)
Total				$ 863,234

(5) Closure and Postclosure Care Costs

To comply with federal and state regulations, the Association 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 due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.

The total costs for the Page County Landfill Association have been estimated at $1,655,133 as of June 30, 2002 and the portion of the liability that has been recognized is $767,972. This liability represents the cumulative amount reported to date based on the use of approximately 46 percent of the capacity of the landfill with a remaining life of 10 years. A provision for the above liability has been made on the Association's balance sheet as of June 30, 2002.

Chapter 455B.306(8)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure accounts to accumulate resources for the payment of closure and postclosure care costs. Effective July 1, 2002, Chapter 567-111.8(8) of the Iowa Administrative Code (IAC) requires annual deposits to these closure and postclosure accounts determined by the following formula:

$$\frac{CE-CB}{RPC} \quad x \quad TR \quad = \text{yearly deposit to account}$$

CE = current cost estimate of closure and postclosure costs
CB = current balance of the closure and postclosure accounts
RPC = remaining permitted capacity, in tons, of the landfill as of the start of the permit holder's first fiscal year
TR = the number of tons of solid waste disposed of at the facility in the prior year

The Association has established a closure/postclosure account to begin to accumulate resources to fund these costs and, at June 30, 2002, deposits of $868,168 were held for these purposes. The deposits for the fiscal year ended June 30, 2002 were not calculated using the above formula since the formula is not effective until July 1, 2002.

Also, pursuant to Chapter 567-111.3(3) of the IAC, since the estimated closure and postclosure costs are not fully funded, the Association is required to demonstrate financial assurance for the unfunded costs. As of June 30, 2002, financial assurance is demonstrated only through the dedicated fund mechanism and is not fully funded.

(6) Solid Waste Tonnage Fees Retained

The Association has established an account for restricting and using solid waste tonnage fees retained by the Association 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. Forty-five cents per ton of the tonnage fee 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 Association's approved comprehensive plan. The fees retained may also be used for other environmental protection and environmental compliance activities. An updated comprehensive plan was approved by the Iowa Department of Natural Resources (IDNR) allowing the Association to retain an additional thirty-five cents per ton of the tonnage fee. The thirty-five cents per ton of the tonnage fee shall be used for waste reduction, recycling, or small business pollution prevention purposes.

As of June 30, 2002, the unspent amounts retained by the Association and restricted for the required purposes totaled $1,408, including $928 for recycling and $480 for closure and postclosure care.

(7) Risk Management

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

(8) Recyclable Materials Processing Agreement

The Association entered into a recycling agreement with Midwest Recycling, Inc. (the Company). The Association maintains recycling containers within Page County and is responsible for transferring those materials received for recycling to a processing facility maintained by the Company. Midwest Recycling, Inc. has agreed to receive, process and market recyclable materials, and to provide education programs on recycling to businesses in Page County. The agreement was for a period of one year beginning March 1, 1997, and is renewable annually. The Association pays the Company a flat rate of $4,500 per month for these services.

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David A. Vaudt, CPA
Auditor of State

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting

To the Members of the Page County Landfill Association:

We have audited the general purpose financial statements of the Page County Landfill Association as of and for the year ended June 30, 2002, and have issued our report thereon dated December 6, 2002. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Page County Landfill Association's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted an immaterial instance of non-compliance that is described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Association's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the Association. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Page County Landfill Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information of the members and customers of the Page County Landfill Association and other parties to whom the Association 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 of the Page County Landfill Association 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.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

December 6, 2002

Page County Landfill Association

Schedule of Findings

Year ended June 30, 2002

Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

No material weaknesses in internal control over financial reporting were identified.

Other Findings Related to Required Statutory Reporting:

(1) Official Depositories – A resolution naming official depositories has been adopted by the Association. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2002.

(2) Questionable Disbursements – No expenses that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25,1979 were noted.

(3) Travel Expense – No expenditures of Association money for travel expenses of spouses of Association officials or employees were noted.

(4) Association Minutes – No transactions were found that we believe should have been approved in the Association minutes but were not.

(5) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Association's investment policy were noted.

(6) Solid Waste Fees Retainage – During the year ended June 30, 2002, the Association used or retained the solid waste fees in accordance with Chapter 455B.310 of the Code of Iowa.

(7) Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the Association to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The Association retains cancelled checks through electronic image, but does not obtain an image of the back of each cancelled check as required.

Recommendation – The Association should obtain and retain an image of both the front and back of each cancelled check as required.

Response – The Association has called the bank and they will start imaging the back of the check also.

Conclusion – Response accepted.

(8) Financial Assurance – The Association has elected to demonstrate 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. The calculation is made as follows:

Total estimated costs for closure and postclosure care	$ 1,655,133
Less: Balance of funds required to be held in the local dedicated fund at June 30, 2001	832,833
	822,300
Divided by the number of years remaining in the pay-in period	÷ 6
Required payment into the local dedicated fund for the year ended June 30, 2002	$ 137,050
Balance of funds held in the local dedicated fund at June 30, 2001	832,833
Balance of funds required to be held in the local dedicated fund at June 30, 2002	$ 969,883
Amount Association has restricted and reserved for closure and postclosure care at June 30, 2002	$ 868,168

Recommendation – The Association should demonstrate financial assurance by designating amounts sufficient to comply with the Iowa Administration Code requirements.

Response – Although the amount the Association has restricted and reserved for closure and postclosure is less than the amount required by the above calculation, the Iowa Department of Natural Resources (IDNR) has evaluated the revised financial assurance rules and determined that landfills using the dedicated fund mechanism have five more years to fully fund the Closure and Postclosure Funds. A response dated January 18, 2003 to IDNR provided IDNR with additional information. Following IDNR's review, an approval letter was issued January 28, 2003 notifying Page County Sanitary Landfill that they are in compliance with the financial assurance requirements for 2002. Another update will be provided by April 1, 2003.

Conclusion – Response accepted.

Page County Landfill Association

Staff

This audit was performed by:

Ronald D. Swanson, CPA, Manager
Shawn P. Limback, CPA, Staff Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State