Financial Statements
June 30, 2023

Dubuque Metropolitan Area Solid Waste Agency
(A Component Unit of the City of Dubuque, Iowa)

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
TABLE OF CONTENTS

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
BOARD MEMBERS

Name	Title	Term Expires
Harley Pothoff	Board Member	December 31, 2024
David T. Resnick	Chairperson	December 31, 2024
Ric W. Jones	Vice Chairperson	December 31, 2024

Forvis Mazars, LLP
1401 50th Street, Suite 350
West Des Moines, IA 50266
P 515.223.0159 | F 515.223.5429
forvismazars.us

Independent Auditor's Report

Dubuque Metropolitan Area Solid Waste Agency Board
Dubuque Metropolitan Area Solid Waste Agency
Dubuque, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Dubuque Metropolitan Area Solid Waste Agency (the Agency), a component unit of the City of Dubuque, Iowa, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of June 30, 2023, and the changes in financial position, and, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the board members but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the Agency's 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 the Agency's internal control over financial reporting and compliance.

Forvis Mazars, LLP

West Des Moines, Iowa
September 23, 2024

This section of the financial report of the City of Dubuque Metropolitan Area Solid Waste Agency (DMASWA) presents our discussion and analysis of the financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the financial statements of the DMASWA found in this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the DMASWA exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $24,203,100 (net position). This was an increase of $2,281,386 over fiscal year ending June 30, 2022. Unrestricted net position at June 30, 2023, in the amount of $8,262,788 may be used to meet the DMASWA's ongoing obligations.
- Total operating revenues exceeded expenses by $2,226,497.

OVERVIEW OF THE FINANCIAL STATEMENTS

The DMASWA's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. This discussion and analysis is intended to serve as an introduction to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

The statement of net position presents information on all of the DMASWA's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the DMASWA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of cash flows reports cash receipts, cash payments and net changes in cash and cash equivalents resulting from four defined types of activities. It provides answers to such questions as where did cash come from, what cash was used for and what was the change in cash and cash equivalents during the reporting year.

FINANCIAL ANALYSIS

Net Position: As noted earlier, net position may serve as a useful indicator of a facility's financial position when observed over time. In the case of the DMASWA, net position is $24,203,100 at June 30, 2023.

The largest part of the DMASWA's non capital assets reflects its investment in cash and cash investments. The DMASWA's deposits at June 30, 2023, 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 bank depositories to insure there will be no loss of public funds.

DMASWA NET POSITION

	2023	2022
Current and Other Assets	$ 17,688,743	$ 16,254,581
Capital Assets	18,073,581	17,753,191
Total Assets	35,762,324	34,007,772
Deferred Outflows of Resources	98,723	89,217
Long-term Liabilities	10,497,633	10,268,420
Other Liabilities	982,094	1,351,633
Total Liabilities	11,479,727	11,620,053
Deferred Inflows of Resources	178,220	555,222
Net Position:		
Net Investment in Capital Assets	11,297,480	10,514,233
Restricted for Landfill Closure and Post-Closure Care	1,866,009	2,076,301
Restricted by State Statute	350,364	304,409
Restricted for Minority Interest	2,426,459	2,049,077
Unrestricted	8,262,788	6,977,694
Total Net Position	$ 24,203,100	$ 21,921,714

The largest portion of DMASWA's long-term liabilities reflects general obligation bonds.

Certain assets of the DMASWA are classified as restricted assets because they may be used only for such purposes specified by state statute.

At the close of fiscal year 2023, the DMASWA reports a total operating income of $2,226,497 and an increase in net position of $2,281,386.

DMASWA
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2023	2022
Operating Revenues	$ 8,022,676	$ 7,884,856
Operating Expenses	5,796,179	5,852,843
Operating Income	2,226,497	2,032,013
Non-Operating Revenues (Expenses)	54,889	(154,867)
Change in Net Position	2,281,386	1,877,146
Net Position, Beginning	21,921,714	20,044,568
Net Position, Ending	$ 24,203,100	$ 21,921,714

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: The DMASWA's investment in capital assets for its operating and planning funds as of June 30, 2023, amounts to $18,073,581 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. Additional information on the DMASWA's capital assets can be found in Note 3 to the financial statements in this report.

CAPITAL ASSETS (net of accumulated depreciation)

	2023	2022
Land	$ 2,737,804	$ 2,737,804
Construction in Progress	-	874,435
Buildings	566,523	368,779
Improvements other than buildings	21,080,570	19,854,404
Machinery and equipment	5,041,085	4,176,483
Accumulated depreciation	(11,352,401)	(10,258,714)
	$ 18,073,581	$ 17,753,191

Long-term debt: At year end, the Dubuque Metropolitan Area Solid Waste Area had $6,776,101 of debt outstanding. Additional information on the DMASWA's long-term debt can be found in Note 9 to the financial statements in this report.

ECONOMIC FACTORS

The Posted Tipping Fee in FY 2023 stayed flat at $48.00 per ton. The DMASWA has established five-year solid waste delivery agreements with its large volume haulers. This agreement requires a minimum tonnage delivery requirement for haulers of 2,000 tons per year to receive the contract rate of $36.03 (same rate as FY 2022).

Revenues increased by $137,820 for FY 2023 and the average rate per ton increased from $41.55 to $42.11 per ton. The DMASWA annual tonnage increased from 172,162 in FY 2022 to 176,872 tons in FY 2023. The increase of 4,710.04 tons represents a 2.74% increase from FY 2022. This tonnage is attributed to the economic factors, such as the cost of diesel fuel, which lead to an increase in tonnage from the out-of-state haulers who also haul tonnage to other landfill that are farther away from their location than the DMASWA landfill.

Requests for information: This financial report is designed to provide a general overview of the DMASWA's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Dubuque, Chief Financial Officer, 50 West 13th Street, Dubuque, Iowa 52001-4864.

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
CURRENT ASSETS	
Cash and cash investments	$ 11,192,033
Receivables	
Accounts	527,960
Accrued interest	70,903
Leases	39,747
Prepaid items	31,330
Total Current Assets	11,861,973
NONCURRENT ASSETS	
Restricted cash and cash investments	
For landfill closure and post-closure care	5,476,406
By state statute	350,364
Total restricted cash and cash investments	5,826,770
Capital Assets	
Land	2,737,804
Buildings	566,523
Improvements to other than buildings	21,080,570
Machinery and equipment	5,041,085
Accumulated depreciation	(11,352,401)
Net Capital Assets	18,073,581
Total Noncurrent Assets	23,900,351
Total Assets	35,762,324
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	83,804
OPEB related	14,919
Total Deferred Outflows of Resources	98,723

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2023 (continued)

LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 359,254
Accrued payroll	11,992
General obligation bonds payable	465,000
Accrued interest payable	35,351
Accrued compensated absences	11,779
Intergovernmental payable	98,718
Total Current Liabilities	982,094
NONCURRENT LIABILITIES	
Landfill closure and post-closure care	3,610,397
General obligation bonds	6,311,101
Accrued compensated absence	215,540
Net pension liability	271,136
Total OPEB liability	89,459
Total Noncurrent Liabilities	10,497,633
Total Liabilities	11,479,727
DEFERRED INFLOWS OF RESOURCES	
Pension related	95,387
OPEB related	46,955
Leases related	35,878
Total Deferred Inflows of Resources	178,220
NET POSITION	
Net investment in capital assets	11,297,480
Restricted for landfill closure and post-closure	1,866,009
Restricted by state statute	350,364
Restricted for minority interest	2,426,459
Unrestricted	8,262,788
Total Net Position	$ 24,203,100

See notes to financial statements.

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Charges for sales and services	$ 8,022,676
Total Operating Revenues	8,022,676
OPERATING EXPENSES	
Employee expense	1,407,470
Utilities	51,152
Repairs and maintenance	688,745
Supplies and services	1,960,381
Insurance	106,042
Closure and post-closure care	457,254
Depreciation	1,125,135
Total Operating Expenses	5,796,179
OPERATING INCOME	2,226,497
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental	35,596
Investment earnings	225,986
Interest expense	(216,403)
Gain on disposal of assets	9,710
Total Nonoperating Revenues (Expenses)	54,889
CHANGE IN NET POSITION	2,281,386
NET POSITION, BEGINNING	21,921,714
NET POSITION, ENDING	$ 24,203,100

See notes to financial statements.

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 8,148,710
Cash payments to suppliers for goods and services	(3,218,192)
Cash payments to employees for services	(1,513,343)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,417,175
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental grant proceeds	35,596
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(1,445,525)
Proceeds from sale of capital assets	9,710
Principal payments received on leases receivable	44,692
Interest payments received on leases receivable	1,087
Payment of debt	(450,000)
Interest paid	(210,459)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(2,050,495)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	162,438
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,564,714
CASH AND CASH EQUIVALENTS, BEGINNING	15,454,089
CASH AND CASH EQUIVALENTS, ENDING	$ 17,018,803
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 2,226,497
Adjustments to reconcile operating income to net cash provided by operating activities	
Noncash lease revenue	(46,796)
Depreciation	1,125,135
Change in assets, liabilities, deferred outflows of resources, and deferred inflows of resources:	
Landfill closure and post-closure estimated liability	457,254
Accounts receivable	172,830
Prepaid items	(24,509)
Accounts and intergovernmental payables	(387,363)
Net pension liability	260,795
Deferred outflows of resources - pension related	(5,014)
Deferred outflows of resources - OPEB related	(4,492)
Deferred inflows of resources - pension related	(324,613)
Deferred inflows of resources - OPEB related	(5,593)
Accrued liabilities	(33,457)
OPEB liability	6,501
Total Adjustments	1,190,678
NET CASH PROVIDED BY OPERATING ACTIVITES	$ 3,417,175
Supplemental schedule of noncash capital and related financing activities:	
Amortization of bond premium	$ 12,857

See notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Dubuque Metropolitan Area Solid Waste Agency (the Agency) was created by a 28E agreement, as allowed by the Code of Iowa, between the City of Dubuque, Iowa (the City), and Dubuque County, Iowa in 1975. Its purpose is to provide solid waste management for the Dubuque metropolitan area.

The Agency is governed by a three-person board consisting of two council members from the City and one supervisor from Dubuque County. Board members are appointed by their respective legislative bodies.

Under a contract with the Agency, the City operates and administers the Agency, including collecting, paying, and accounting for Agency funds.

Because the City appoints a majority of the Agency's governing board and has authority over those persons responsible for the day-to-day operations of the Agency, the Agency is considered a discrete component unit of the City and is presented as such in the City's basic financial statements. During the year ended June 30, 2023, $695,947 of charges for services was related to services provided to the City.

The Agency has determined that there are no potential component units which must be included in its financial statements.

Basis of Accounting

The financial statements are reported using the economic resources measurements focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

The Statement of Net Position presents the Agency's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences as net position. Net position is reported in the following categories:

> Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
>
> Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.
>
> Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified. When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits and Investments

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities at approximately six months or less at date of acquisition.

Accounts Receivable

The Agency has not recorded an allowance for doubtful accounts at June 30, 2023. Accounts are written off when deemed uncollectible.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets

Certain assets of the Agency are classified as restricted assets because they may be used only for such purposes specified by state statute and for landfill closure and post-closure.

Lease Receivable

The Agency is a lessor in a lease of real estate. The Agency recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position. At the commencement of a lease, the Agency initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Agency determines 1) the discount rate it uses to discount the expected lease receipts to present value 2) lease term, and 3) lease receipts. The Agency uses its estimated incremental borrowing rate as the discount rate for leases. The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Capital Assets

Capital assets include property, plant, and equipment. Capital assets are defined by the government as assets with an initial, individual cost of more than $20,000 for building assets and $10,000 for the remaining assets, and an estimated useful life of more than a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40 to 125
Improvements other than buildings	15 to 50
Machinery and equipment	2 to 30

Deferred Outflows of Resources

Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

Compensated Absences

The Agency allows employees to accumulate a limited amount of earned, but unused, vacation and sick pay benefits. Such benefits are accrued when earned and are reported as liabilities.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Iowa Public Employees' Retirement System, and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB, deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the City's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time deferred inflows of resources in the Statement of Net Position consist of unrecognized items not yet charged to pension, OPEB, and lease revenue.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Restricted net position represents outside third-party restrictions and amounts restricted for minority interest of the Agency. The Agency is restricted to using certain amounts for purposes specified by state statute. The net position restricted for minority interest is calculated at 22.7% of unrestricted net position, based on the 1976 revenue bond resolution authorizing the issuance of revenue bonds for the construction of the landfill.

Operating and Non-Operating Revenues and Expenses

The Agency distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – CASH ON HAND, DEPOSITS, AND INVESTMENTS

Cash on hand represents authorized change funds and petty cash funds used for current operating purposes. The carrying amount at fiscal year-end was $1,200. The carrying amount of deposits was $17,017,603 and the bank balance was $17,299,405.

The Agency is authorized by state 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 City Council; 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 Agency's investment policy limits the investments 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 instruments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Agency.

NOTE 2 – CASH ON HAND, DEPOSITS, AND INVESTMENTS (continued)

Credit Risk: The Agency's investment policy limits investments in commercial paper and other corporate debt to the top two highest classifications. The Agency did not invest in any commercial paper or other corporate debt during the year.

Concentration of Credit Risk: The Agency's investment policy does not allow for a prime bankers' acceptance or commercial paper and other corporate debt balances to be greater than ten percent of its total deposits and investments. The policy also limits the amount that can be invested in a single issue to five percent of its total deposits and investments. The Agency held no such investments during the year.

Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. The Agency's deposits are 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 insure there will be no loss of public funds.

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Agency held no investments during the year.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,737,804	$ -	$ -	$ 2,737,804
Construction in progress	874,435	-	(874,435)	-
Total capital assets, not being depreciated	3,612,239	-	(874,435)	2,737,804
Capital assets, being depreciated:				
Buildings	368,779	197,744	-	566,523
Improvements other than buildings	19,854,404	1,226,166	-	21,080,570
Machinery and equipment	4,176,483	896,050	(31,448)	5,041,085
Total capital assets, being depreciated	24,399,666	2,319,960	(31,448)	26,688,178
Less accumulated depreciation for:				
Buildings	(147,334)	(40,366)	-	(187,700)
Improvements other than buildings	(7,668,457)	(782,738)	20,512	(8,430,683)
Machinery and equipment	(2,442,923)	(302,031)	10,936	(2,734,018)
Total accumulated depreciation	(10,258,714)	(1,125,135)	31,448	(11,352,401)
Total capital assets, being depreciated, net	14,140,952	1,194,825	-	15,335,777
Capital assets, net	$ 17,753,191	$ 1,194,825	$ (874,435)	$ 18,073,581

NOTE 4 – LANDFILL CLOSURE AND POST-CLOSURE CARE

To comply with federal (40 CFR 258.74) and state regulations (IAC 113.14 (455b)), the Dubuque Metropolitan Area Solid Waste Agency (DMASWA) is required to complete a closure and post-closure plan and to provide funding necessary to effect that plan, including the proper monitoring and care of the landfill after closure. Once the landfill is no longer accepting waste and is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting leachate (the liquid that drains out of waste) for thirty years.

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. A variety of financial mechanisms can be used to demonstrate compliance with federal and state financial assurance rules. The Agency utilizes the dedicated fund mechanism, which is funded through the tipping fees it receives. The Agency files an annual report with the State to provide compliance with its legal requirements of maintaining a balance per the prescribed formula. Any adjustments to the account are made prior to June 30.

The Agency is required to estimate total landfill closure and post-closure 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, for closure and post-closure, would consist of four components: (1) the cost of equipment and facilities used in post-closure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of environmental monitoring of the landfill during the post-closure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on an engineer's estimate for these services and is required to be updated annually for changes due to inflation or deflation, technology, and/or changes to applicable laws or regulations.

The Agency's estimated closure and post-closure care expected costs are as follows:

	2023
Closure	$ 4,542,350
Post-closure care	2,649,812
Totals	$ 7,192,162

The total closure and post-closure care costs for the DMASWA have been estimated at $7,192,162 as of June 30, 2023, and the portion of the liability, that has been recognized is $3,610,397. This liability represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of cells 1, 2, 3, 4, 5, 6, 7, 8, and 36% of cell 9. The Agency has accumulated resources to fund closure and post-closure costs; they are included in assets whose use is limited on the statement of net position and total $5,476,406 as of June 30, 2023. The Agency will recognize the remaining estimated cost of closure and post-closure care of $3,581,765 over the estimated remaining life of 16 years as the remaining capacity is filled.

NOTE 5 – LEASES

The Agency is a lessor in a land lease that matures in April 2024. The initial lease arrangement was for $129,470 of which $39,747 is outstanding as of June 30, 2023. The current portion is $39,747. Rent and interest revenue on the lease for the year ending June 30, 2023, was $46,796 and $1,087, respectively. The discount rate is 1.91%.

NOTE 6 – EMPLOYEE PENSION PLAN

Iowa Public Employees Retirement System IPERS

Plan Description - IPERS membership is mandatory for employees of the Agency, except for those covered by another retirement system. Employees of the Agency are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

NOTE 6 – EMPLOYEE PENSION PLAN (continued)

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2023, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the Agency contributed 9.44% of covered payroll for a total rate of 15.73%. The total contributions to IPERS for the year ended June 30, 2022 totaled $71,555.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the Agency reported a liability of $271,136 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on the Agency's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2022, the Agency's collective proportion was 0.006831% which was a decrease of 0.000545% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Agency recognized a reduction of pension expense of $3,893. At June 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,019	$ 3,714
Changes of assumptions	230	7
Net difference between projected and actual earnings on IPERS	-	29,024
Changes in proportion and differences between Agency contributions and the Agency's proportionate share of contributions	-	62,642
Agency contributions subsequent to the measurement date	71,555	-
Total	$ 83,804	$ 95,387

NOTE 6 – EMPLOYEE PENSION PLAN (continued)

$71,555 reported as deferred outflows of resources related to pensions resulting from the Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30		Total
2024	$	(89,516)
2025		(63,870)
2026		(99,311)
2027		166,989
2028		2,570
	$	(83,138)

Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

	1% Decrease (6.00)%	Discount Rate (7.00)%	1% Increase (8.00)%
Agency's proportionate share of the net pension liability (asset):	$ 505,159	$ 271,136	$ 64,897

There were no non-employer contributing entries at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation	2.60% per annum
Rates of salary increase	3.25 to 16.25% average, including inflation Rates vary by membership group
Long-term Investment rate of return	7.00%, compounded annually, net of investment expense, including inflation
Wage Growth	3.25% per annum based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the actuarial experience study covering the four-year period ending June 30, 2021 (report dated June 16, 2022).

NOTE 6 – EMPLOYEE PENSION PLAN (continued)

Mortality rates used in the 2022 valuation were based on the PubG-2010 Generational Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Projection Scale MP-2021. Different adjustments apply to pre-retirement, post-retirement, beneficiary and post-disability mortality tables.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.00 %	3.57 %
International equity	17.50	4.79
Global smart beta equity	6.00	4.16
Core plus fixed income	20.00	1.66
Public credit	4.00	3.77
Cash	1.00	0.77
Private equity	13.00	7.57
Private real assets	8.50	3.55
Private credit	8.00	3.63
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and that contributions from the Agency will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on the IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2023, the Agency did not report any payables to IPERS for legally required Agency contributions. There were no legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

NOTE 7 – RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the government carries commercial insurance purchased from independent third parties and it participates in a local government risk pool. The Agency assumes liability for any deductibles and claims in excess of coverage limitations.

The City of Dubuque has established a Health Insurance Reserve Fund for insuring benefits provided to City employees and covered dependents, which is included in the Internal Service Fund Type. The Agency participates in the City's Health Insurance Reserve Fund. Health benefits were self-insured up to an individual stop-loss amount of $120,000 and an aggregate stop-loss of 125% of expected claims. Coverage from a private insurance company is maintained for losses in excess of the stop-loss amount. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The estimated liability does not include any allocated or unallocated claims adjustment expense.

The City has established a Workers' Compensation Reserve Fund for insuring benefits provided to City employees which is included in the Internal Service Fund Type. Coverage from a private insurance company is maintained for losses in excess of the stop-loss amount. As of May 15, 2020 the City changed workers' compensation coverage providers. Under this new agreement, the City is fully insured for all claims with the exception of sworn Police Officers and Fire Fighters medical claims. All claims handling procedures are performed by a third-party claims administrator. Incurred but not reported claims have been accrued as a liability based upon the claims administrator's estimate. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The Agency participates in both programs and makes payments to the Health Insurance Reserve Fund and the Workers' Compensation Reserve Fund based on actuarial estimates of the amounts needed to pay prior-year and current-year claims. The Agency's annual contributions to the Health Insurance Reserve Fund were $164,561 and the contributions to the Worker's Compensation Reserve Fund were $72,054 for the year ended June 30, 2023. The Reserve Funds are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The Agency is a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 787 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. The Agency acquires automobile physical damage coverage through the Pool. All other property, inland marine, and boiler/machinery insurance are acquired through commercial insurance. There have been no reductions in insurance coverage from prior years.

NOTE 7 – RISK MANAGEMENT (continued)

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty 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 not to exceed 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual property 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 Agency has property insurance in addition to the Pool.

The Agency's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The Agency's annual contributions to the Pool for the year ended June 30, 2023, were $61,478.

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 $500,000 per claim. Excess coverage is provided for claims exceeding $500,000 under various reinsurance agreements.

Property and automobile physical damage risks are retained by the Pool up to $250,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's Iowa Risk Management Agreement with its members provides that in the event a casualty claim, property loss 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, 2023, settled claims have not exceeded the risk pool or reinsurance company coverage since the Pool's inception.

Members agree to continue membership in the Pool through the Iowa Risk Management Agreement 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, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Agency participates in the City of Dubuque's retiree benefit plan. The Agency's portion of the net OPEB obligation at June 30, 2023, is $89,549. The Plan does not issue a stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Information for the entire plan is as follows.

Plan Description – The City operates a single-employer retiree benefit plan which provides postemployment benefits for eligible participants enrolled in the City-sponsored plans, which include the employees of the Dubuque Metropolitan Area Solid Waste Agency (a component unit). The Plan does not issue a stand-alone financial report. The benefits are provided in the form of:

An implicit rate subsidy where pre-65 retirees receive health insurance coverage by paying a combined retiree/active rate for the self-insured medical and prescription drug plan.

An explicit rate subsidy exists since the City pays the full cost of a $1,000 policy in the fully-insured life insurance plan.

To be eligible for the health insurance coverage, retirees must be at least 55 years old, have completed 4 years of service, and be vested with either the Iowa Public Employees' Retirement System (IPERS) or the Municipal Fire and Police Retirement System of Iowa (MFPRSI). In addition to the health eligibility coverage requirements, one must have belonged to a bargaining group to be eligible for life insurance benefits. There are approximately 544 active and 43 retired members in the plan as of most recent actuarial valuation report.

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis.

Total OPEB Liability - The Agency's OPEB liability of $89,459 reported as of June 30, 2023 was measured at June 30, 2023 (the measurement date), and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The Agency's proportion is based on the number of employees in the plan. The Agency's portion was 1.50% as of June 30, 2023.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability beginning of year	$ 82,958
Changes for the year:	
Service cost	3,270
Interest	3,510
Changes in experience	-
Other changes	5,703
Changes in assumptions	(275)
Benefit payments	(5,707)
Net Changes	6,501
Total OPEB Liability end of year	$ 89,459

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Methods and Assumptions –The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation effective June 30, 2023	3.00% per annum
Rates of salary increase effective June 30, 2023	4.00% per annum, including inflation
Discount rate effective June 30, 2023	4.13% compounded annually, including inflation
Healthcare cost trend rate effective June 30, 2023	6.00% initial rate decreasing to an ultimate rate of 4.50% (ultimate

Discount Rate - The discount rate used to measure the total OPEB liability was 4.13% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the PubG.H-2010 Mortality Table with Mortality Improvement using Scale MP-2020. Annual retirement and termination probabilities were developed consistent with the City's experience and the IPERS and MFPRSI retirement patterns.

Projected claim costs of the medical plan are $12,791 - $18,208 per year for retirees depending on age of retiree. The actuarial assumptions used in the June 30, 2023 valuation were based on the results of actual experience dates study with dates corresponding to those listed above.

Sensitivity of the Agency's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB Liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) than the current discount rate.

	1% Decrease (3.13)%	Discount Rate (4.13)%	1% Increase (5.13)%
Total OPEB Liability	$ 82,935	$ 89,459	$ 96,596

Sensitivity of the Agency's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB Liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

	1% Decrease (5.00)%	Healthcare Cost Trend Rate (6.00)%	1% Increase (7.00)%
Total OPEB Liability	$ 99,612	$ 89,459	$ 80,848

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023 the Agency recognized OPEB expense of $6,071. At June 30, 2023 the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Experience	$ 3,307	$ 2,246
Changes in Assumptions	6,241	13,047
Change in Proportion	5,371	31,662
	$ 14,919	$ 46,955

The Agency amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources
2024	$ (4,657)
2025	(4,657)
2026	(4,657)
2027	(4,684)
2028	(5,033)
Thereafter	(8,348)
	$ (32,036)

NOTE 9 - LONG-TERM DEBT

General Obligation Bonds. Dubuque County, Iowa issued a general obligation landfill facility bond to provide funds for the acquisition and construction of major capital facilities.

The Dubuque Area Metropolitan Solid Waste Agency will reimburse Dubuque County for interest and principal payments from operating revenues. These bonds generally are issued as serial bonds with varying amounts of principal maturing annually and with interest payable semi-annually. The amount outstanding as of June 30, 2023 is as follows:

Purpose	Date of Issue	Maturity Date	Interest Rate	Balance End of Year	Due Within One Year
Landfill Facility	12/30/2014	06/01/16-06/01/34	2.0-4.0%	$ 2,900,000	$ 225,000
Landfill Facility	12/28/2016	06/01/17-06/01/36	3.00%	3,710,000	240,000
				$ 6,610,000	$ 465,000

NOTE 9 - LONG-TERM DEBT (continued)

Annual debt service requirements to maturity of the general obligation bond is as follows:

Fiscal Year June 30	Principal	Interest
2024	$ 465,000	$ 198,609
2025	475,000	186,065
2026	490,000	172,965
2027	505,000	158,865
2028	520,000	144,328
2029-2033	2,860,000	480,055
2034-2036	1,295,000	74,760
Total	$ 6,610,000	$ 1,415,647

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2023 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bond	$ 7,060,000	$ -	$ (450,000)	$ 6,610,000	$ 465,000
Unaccreted premium	178,958	-	(12,857)	166,101	-
Total general obligation bond	$ 7,238,958	$ -	$ (462,857)	$ 6,776,101	$ 465,000

NOTE 10 - COMMITMENTS AND CONTINGENT LIABILITIES

Construction Commitments

Dubuque Metropolitan Area Solid Waste Agency has recognized a liability only that portion of construction contracts representing construction completed through June 30, 2023.

NOTE 11 - PROSPECTIVE ACCOUNTING CHANGE PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued statements not yet implemented by the Agency. The statements which might impact the Agency are as follows:

GASB Statement No. 99, *Omnibus 2022* will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The statement will be effective at various times between upon issuance and with its year ending June 30, 2025.

NOTE 11 - PROSPECTIVE ACCOUNTING CHANGE PRONOUNCEMENTS (continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections* will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The statement will be effective for the Agency with its year ending June 30, 2024.

GASB Statement No. 101, *Compensated Absences* will through its unified recognition and remeasurement model, result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The statement will be effective for the Agency with its year ending June 30, 2024.

GASB Statement No. 102, *Certain Risk Disclosures* will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The statement will be effective for the Agency with its year ending June 30, 2025.

GASB Statement No. 103, Financial Reporting Model Improvements will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. The statement will be effective for the City with its year ending June 30, 2026.

Management has not yet determined the effect these statements will have on the financial statements.

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
SCHEDULE OF THE AGENCY'S PORPORTIONATE SHARE OF NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS*
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability (asset)	0.00683 %	0.00740 %	0.00840 %	0.00840 %	0.00820 %	0.00852 %	0.00967 %	0.00962 %	0.00993 %
Agency's proportionate share of the net pension liability	$ 271	$ 10	$ 586	$ 489	$ 517	$ 568	$ 595	$ 478	$ 394
Agency's covered payroll	$536	$ 652	$ 667	$ 651	$ 639	$ 674	$ 674	$ 669	$ 674
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	36.92 %	1.53 %	87.86 %	75.12 %	80.91 %	84.27 %	88.28 %	71.45 %	58.46 %
IPERS' net position as a percentage of the total pension liability	91.4 %	99.65 %	82.90 %	85.45 %	83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

* In accordance with GASB statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding fiscal year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Association will present information for those years for which information is available.

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
SCHEDULE OF THE AGENCY'S CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 72	$ 64	$ 61	$ 63	$ 59	$ 57	$ 61	$ 60	$ 58	$ 57
Contributions in relation to the statutorily required contribution	(72)	(64)	(61)	(63)	(59)	(57)	(61)	(60)	(58)	(57)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Agency's covered payroll	$ 734	$ 536	$ 652	$ 667	$ 651	$ 639	$ 674	$ 674	$ 669	$ 674
Contributions as a percentage of covered payroll	9.81%	11.94%	9.36%	9.45%	9.06%	8.92%	9.05%	8.90%	8.67%	8.46%

Changes of benefit terms

There are no significant changes in benefit terms.

Changes of assumption

The 2022 valuation implemented the following refinements as a result of the actuarial experience study covering the four-year period ending June 30, 2021 (report dated June 16, 2022).

- Mortality assumption was changed to the family of PubG-2010 Mortality Tables for all groups with age setbacks and set forwards, as well as other adjustments. Future mortality improvements are modeled using Scale MP-2021.
- Retirement rates were adjusted to partially reflect observed experience for Regular members only.
- Disability rates were lowered for Regular members only.
- Termination rates were adjusted to partially reflect observed experience for all groups.

The 2021, 2020, and 2019 valuations did not include any changes of assumptions.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%
- Decreased the assumed rate of interest on members account from 4.00% to 3.75% per year
- Adjusted male mortality rates for retirees in the Regular membership group
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
SCHEDULE OF CHANGES IN
TOTAL OPEB LIABILITY RELATED RATIOS AND NOTES
REQUIRED SUPPLEMENTARY INFORMATION

	2023	2022	2021	2020	2019	2018
Service Cost	$ 3,270	$ 4,357	$ 6,363	$ 5,489	$ 5,672	$ 5,380
Interest Cost	3,510	1,916	3,203	3,152	3,300	3,335
Changes in Experience	-	4,008	-	(4,615)	-	-
Changes in Assumptions	(275)	(12,631)	5,332	(381)	1,643	2,679
Other Changes	5,703	(42,042)	11,194	(1,418)	(1,188)	1,137
Benefit Payments	(5,707)	(5,138)	(5,656)	(7,241)	(8,655)	(9,196)
Net change in total OPEB Liability	6,501	(49,530)	20,436	(5,014)	772	3,335
Total OPEB Liability beginning of year	82,958	132,488	112,052	117,066	116,294	112,959
Total OPEB Liability end of year	$ 89,459	$ 82,958	$ 132,488	$ 112,052	$ 117,066	$ 116,294
Covered-employee payroll	573,124	536,257	674,828	657,962	651,342	638,980
Total OPEB liability as a percentage of covered-employee payroll	15.61%	15.47%	19.63%	17.03%	17.97%	18.20%

Notes to Schedule of Changes in the Total OPEB Liability and Related Ratios

The Agency participates in the City of Dubuque's retiree benefit plan. The Agency's portion of the net OPEB obligation at June 30, 2022, is $89,459. The agency's portion is based on the number of employees in the plan. The Agency's portion was 1.50% as of June 30, 2023.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate, health care trend rates and other changes. The following are the discount rates used in each period:

Year Ended June 30, 2023	4.13%
Year Ended June 30, 2022	4.09%
Year Ended June 30, 2021	2.18%
Year Ended June 30, 2020	2.66%
Year Ended June 30, 2019	2.79%

Note: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Association will present information for those years for which information is available.

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
COMBINING STATEMENT OF NET POSITION
June 30, 2023

	Operating Fund	Planning Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash investments	$ 11,192,033	$ -	$ 11,192,033
Receivables			
Accounts	527,960	-	527,960
Accrued interest	70,903	-	70,903
Leases	39,747	-	39,747
Prepaid items	31,330	-	31,330
Total Current Assets	11,861,973	-	11,861,973
NONCURRENT ASSETS			
Restricted cash and cash investments			
For landfill closure and post-closure care	5,476,406	-	5,476,406
By state statute	-	350,364	350,364
Total restricted cash and cash investments	5,476,406	350,364	5,826,770
Capital assets			
Land	2,737,804	-	2,737,804
Buildings	566,523	-	566,523
Improvements to other than buildings	21,080,570	-	21,080,570
Machinery and equipment	5,041,085	-	5,041,085
Accumulated depreciation	(11,352,401)	-	(11,352,401)
Net Capital Assets	18,073,581	-	18,073,581
Total Noncurrent Assets	23,549,987	350,364	23,900,351
Total Assets	35,411,960	350,364	35,762,324
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	83,804	-	83,804
OPEB related	14,919	-	14,919
Total Deferred Outflows of Resources	98,723	-	98,723
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	359,254	-	359,254
Accrued payroll	11,992	-	11,992
General obligation bonds payable	465,000	-	465,000
Accrued interest payable	35,351	-	35,351
Accrued compensated absences	11,779	-	11,779
Intergovernmental payable	98,718	-	98,718
Total Current Liabilities	982,094	-	982,094
NONCURRENT LIABILITIES			
Landfill closure and post-closure care	3,610,397	-	3,610,397
General obligation bonds	6,311,101	-	6,311,101
Accrued compensated absence	215,540	-	215,540
Net pension liability	271,136	-	271,136
Total OPEB liability	89,459	-	89,459
Total Noncurrent Liabilities	10,497,633	-	10,497,633
Total Liabilities	11,479,727	-	11,479,727
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	95,387	-	95,387
OPEB Related Deferred Inflows	46,955	-	46,955
Leases related deferred inflows	35,878	-	35,878
Total Deferred Inflows of Resources	178,220	-	178,220
NET POSITION			
Net investment in capital assets	11,297,480	-	11,297,480
Restricted for landfill closure and post-closure	1,866,009	-	1,866,009
Restricted by state statute	-	350,364	350,364
Restricted for minority interest	2,426,459	-	2,426,459
Unrestricted	8,262,788	-	8,262,788
Total Net Position	$ 23,852,736	$ 350,364	$ 24,203,100

DUBUQUE METROPOLITAN AREA SOLID WASTE AGENCY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

	Operating Fund	Planning Fund	Total
OPERATING REVENUES			
Charges for sales and services	$ 8,022,676	$ -	$ 8,022,676
Total Operating Revenues	8,022,676	-	8,022,676
OPERATING EXPENSES			
Employee expense	1,407,470	-	1,407,470
Utilities	51,152	-	51,152
Repairs and maintenance	688,745	-	688,745
Supplies and services	1,960,381	-	1,960,381
Insurance	106,042	-	106,042
Closure and post-closure care	457,254	-	457,254
Depreciation	1,125,135	-	1,125,135
Total Operating Expenses	5,796,179	-	5,796,179
OPERATING INCOME (LOSS)	2,226,497	-	2,226,497
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental	35,596	-	35,596
Investment earnings	225,986	-	225,986
Interest expense	(216,403)	-	(216,403)
(Loss) on disposal of assets	9,710	-	9,710
Total Non-Operating Revenues (Expenses)	54,889	-	54,889
INCOME (LOSS) BEFORE TRANSFERS	2,281,386	-	2,281,386
TRANSFERS IN	285,141	(285,141)	-
TRANSFERS OUT	(347,049)	347,049	-
CHANGE IN NET POSITION	2,219,478	61,908	2,281,386
NET POSITION, BEGINNING	21,633,258	288,456	21,921,714
NET POSITION, ENDING	$ 23,852,736	$ 350,364	$ 24,203,100

Forvis Mazars, LLP
1401 50th Street, Suite 350
West Des Moines, IA 50266
P 515.223.0159 | F 515.223.5429
forvismazars.us

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*

Independent Auditor's Report

Dubuque Metropolitan Area Solid Waste Agency Board
Dubuque Metropolitan Area Solid Waste Agency
Dubuque, Iowa

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of Dubuque Metropolitan Area Solid Waste Agency (the Agency), which comprise the Agency's statement of financial position as of June 30, 2023, and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

West Des Moines, Iowa
September 23, 2024