



Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Facility Name: Landfill of North Iowa Permit Number: 17-SDP-01-75P
Permitted Agency/Entity: Landfill of North Iowa

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$ 5,178,009	3/4/2025
Updated Postclosure Cost Estimate	\$ 3,721,294	3/4/2025
Initial or Updated Corrective Action Cost Estimate	\$ 0.00	3/4/2025

*Attach closure/postclosure cost estimate(s) signed and certified by an Iowa-licensed professional engineer. Cost estimates shall include, at a minimum, each of the cost line items defined in 113.14(3)"c" for closure and 113.14(4)"c" for postclosure. Please provide closure and/or postclosure site area acreage information with the estimates.

Provide a cost estimate for corrective action only if corrective action is required and a corrective action plan has been approved by the Department. Attach the corrective action cost estimate signed and certified by an Iowa-licensed professional engineer. The cost estimate shall account for total costs of the activities described in the approved corrective action plan for the corrective action period.

SECTION 3: FACILITY WASTE TONNAGE INFORMATION

Information Requested	Tons
Remaining permitted capacity as of the beginning of permit holder's current fiscal year	1,307,526
Amount of waste disposed of at the facility during the prior fiscal year	99,843

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Municipal Solid Waste Landfills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: Rachelle Thompson

For fiscal year ending: 12/31/2024

Privately Owned Municipal Solid Waste Landfills

(ATTACH AFFIDAVIT)

Attach owner/operator's affidavit indicating that an annual review has been performed by a certified public accountant to determine whether the privately owned landfill is in compliance with IAC 567 Chapter 113. The affidavit shall state the name of the certified public accountant, the dates and conclusions of the review, and the steps taken to rectify any deficiencies identified by the accountant.

SECTION 5: FINANCIAL ASSURANCE INSTRUMENT

Type and Value of Financial Assurance Instrument(s) (ATTACH INSTRUMENT(S))

Assurance Instrument	Establishment Date	Mechanism Covers	Instrument Value*
Trust Fund 567 IAC 113.14(6)“a”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Surety Bond 567 IAC 113.14(6)“b”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Letter of Credit 567 IAC 113.14(6)“c”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Insurance 567 IAC 113.14(6)“d”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Financial Test 567 IAC 113.14(6)“e”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov’t. Financial Test 567 IAC 113.14(6)“f”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Guarantee 567 IAC 113.14(6)“g”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov’t Guarantee 567 IAC 113.14(6)“h”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov’t. Dedicated Fund 567 IAC 113.14(6)“i”	12/31/2024	Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input checked="" type="checkbox"/>	\$ 7,279,300

*Pursuant to IAC 567 113.14(9), if account(s) are restricted/reserved to pay for closure, postclosure or corrective action costs, then the amount of the financial assurance instrument may be reduced by the sum of the cash balance of the account(s) established to comply with subrule 113.14(8).

SECTION 6: INITIAL PROOF OF ESTABLISHMENT OF ACCOUNTS

Check Which Applies: New Mechanism Previously Submitted

Pursuant to IAC 567 Chapter 113.14(8)“f”, documentation of the establishment of accounts is to be submitted to the department by April 1, 2003 for currently permitted MSWLFs. Permit holders for MSWLFs permitted after April 1, 2003, shall submit documentation of the establishment of accounts prior to the MSWLF’s initial receipt of waste.

Please attach documentation indicating accounts/fund have been established for closure and postclosure care and if the account(s) are restricted/reserved for closure or postclosure care. Examples of documentation include bank statements for closure/postclosure accounts, letter signed by the chief financial officer, letter from certified public accountant, etc.

Accounts established pursuant to paragraph 113.14(6)“a” for trust funds or paragraph 113.14(6)“i” for local government dedicated funds also satisfies the requirements of this subrule, and the permit holder shall not be required to establish additional closure and postclosure accounts.

SECTION 7: CLOSURE AND POSTCLOSURE ACCOUNTS

Completion of the following closure and postclosure account information complies with the annual financial statement requirements of IAC 567 113.14(3)“a” and 113.14(4)“a” by indicating the current balance(s) of the closure/postclosure account(s) or dedicated/trust fund and the projected amount(s) to be deposited in the account(s).

Under “Beginning Balance”, please state the account/fund balance 30 days after the start of the previous fiscal year, for “Ending Balance”, indicate the account balance 30 days after the close of the previous fiscal year, and for “Projected Deposit”, indicate the amount to be deposited within 30 days of the close of the permit holder’s fiscal year.

Information Requested	Beginning Balance	Ending Balance	Projected Deposit
Closure Account Balance <i>(see formula below)</i>	\$	\$	\$
Postclosure Account Balance <i>(see formula below)</i>	\$	\$	\$
Or			
Dedicated Fund Balance <i>(see formula below)</i>	\$6,983,266	\$7,729,300	\$173,100
Trust Fund Balance <i>(see formula below)</i>	\$	\$	\$

Formula for Projected Deposits

Closure or Postclosure Account

$$\frac{CE - CB}{RPC} \times TR$$

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, “RPC” is the remaining permitted capacity in tons, of the landfill from the beginning of the current fiscal year, and “TR” is the total number of tons of solid waste disposed in the prior year.

Dedicated/Trust Fund

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

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, and “Y” is number of years remaining in the pay-in period.

If needed, the space below can be used to show calculations for projected deposits

$$\begin{array}{r}
 CE = \$9,010,302 \\
 CB = \$7,279,300 \\
 Y = 10
 \end{array}
 \quad
 \frac{9,010,302 - \$7,279,300}{10}
 = \$173,100$$

SECTION 8: PERMIT HOLDER ENDORSEMENT

Submittal of this completed and endorsed form along with all required documentation establishes Notification and Proof of Permit Holder Compliance with IAC 567 Chapter 113.

Name of Official: William Rowland Title: Director

Agency/Entity: Landfill of North Iowa

Address: 15942 Kildeer Avenue

City: Clear Lake State: IA Zip: 50428

Telephone: 641-357-5452 Fax: _____

Email Address: bill@landfillnorthiowa.org

Signature of Official: William Rowland Digitally signed by William Rowland
Date: 2025.03.06 11:13:58 -06'00' Date: 3/6/25

Questions? Contact Chad Stobbe at (515) 201-8272 or Chadd.Stobbe@dnr.iowa.gov

LANDFILL OF NORTH IOWA
CLEAR LAKE, IOWA
DECEMBER 31, 2024

LANDFILL OF NORTH IOWA
INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENT
AND OTHER INFORMATION
SCHEDULE OF FINDINGS

DECEMBER 31, 2024

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Landfill of North Iowa

Officials

<u>Name</u>	<u>Title</u>	<u>Representing</u>
John Waddingham	Chairperson*	Franklin County
David Abele	Vice Chairperson*	Klemme
Doug Moehle	Member*	Northwood
Jim Nelson	Member	Britt
Lori Meacham Ginapp	Member	Cerro Gordo County
Dana Brant	Member	Clear Lake
Lon Allan	Member	Coulter
Mary Nagel	Member	Dougherty
Andrew Faber	Member	Forest City
Marline Lewerke	Member	Garner
Jim Zacharias	Member	Geneva
Randee Hyde	Member	Grafton
Russ Morgan	Member	Hampton
Gary Rayhons	Member	Hancock County
Dave & Linda Fulton	Member	Hanlontown
Jessica Minnier	Member	Hansell
Debra Potter	Member	Joice
Corey Pulju	Member	Kensett
Elizabeth Symens	Member	Latimer
Richard Baird	Member	Manly
Brent Hinson	Member	Mason City
Scott Brattrud	Member	Mason City
Mike Mcnutt	Member	Meservey
Randy Hassman	Member	Nora Springs
Jeff Robak	Member	Plymouth
Dennis Bradley	Member	Popejoy
Mark Brosz	Member	Rock Falls
Abbie Emhoff	Member	Rockwell
Brad Mulford	Member	Sheffield
Chuck Malotte	Member	Thornton
Mike Schweizer	Member	Ventura
William Rowland	Director	
Randall Nielsen	Legal Counsel	

* Executive Committee member

Landfill of North Iowa

Independent Auditor's Report

To Members of the Landfill of North Iowa
Clear Lake, Iowa

Report on the Audit of the Financial Statement

Opinion

I have audited the financial statement of the Landfill of North Iowa (Landfill), as of and for the year ended December 31, 2024, and the related notes to the financial statement, which collectively comprise the Landfill of North Iowa's basic financial statement as listed in the table of contents.

In my opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the respective cash basis financial position of the Landfill of North Iowa as of December 31, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statement section of my report. I am required to be independent of the Landfill of North Iowa, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of Accounting

I draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 judgement made by a reasonable user based on the financial statement.

Landfill of North Iowa

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Landfill of North Iowa'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 statement.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Landfill of North Iowa's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

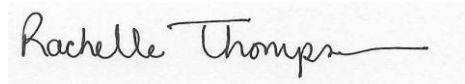
Other Information

Management is responsible for the other information included in this report. The other information comprises the management's discussion and analysis, the schedule of the Landfill's proportionate share of the net pension liability and the schedule of Landfill's contributions on pages 4 through 6 and 16 through 18 but does not include the basic financial statement and my auditor's report thereon. My opinion on the basic financial statement does not cover the other information, and I do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated March 3, 2025 on my consideration of the Landfill of North Iowa's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is solely to describe the scope of my 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 Landfill'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 Landfill of North Iowa's internal control over financial reporting and compliance.



March 3, 2025
Hampton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Landfill of North Iowa provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities of the Landfill of North Iowa is for the year ended December 31, 2024. We encourage readers to consider this information in conjunction with the Landfill's financial statement, which follows.

2024 FINANCIAL HIGHLIGHTS

- The Landfill's operating receipts decreased 8.2%, or \$404,592 from 2023 to 2024.
- The Landfill's operating disbursements increased 2.8%, or \$89,126 from 2023 to 2024.
- The Landfill's cash balance increased 5.0%, or \$572,522, from December 31, 2023 to December 31, 2024.

USING THIS ANNUAL REPORT

The Landfill of North Iowa has elected to present its financial statement on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States. Basis of accounting refers to when financial events are recorded, such as the timing of recognizing revenue, expenses and the related assets and liabilities. Under the cash basis of accounting, revenue and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenue and liabilities and their related expenses are not recorded in this financial statement. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis is intended to serve as an introduction to the Landfill of North Iowa's financial statement. The annual report consists of the financial statement and other information, as follows:

Management's discussion and analysis introduces the basic financial statement and provides an analytical overview of the Landfill's financial activities.

The statement of cash receipts, disbursements and changes in cash balance presents information on the Landfill's operating receipts and disbursements, non-operating receipts and disbursements and whether the Landfill's cash basis financial position has improved or deteriorated as a result of the year's activities.

Notes to the financial statement provide additional information essential to a full understanding of the data provided in the basic financial statement.

Other Information further explains and supports the Landfill's proportionate share of the net pension liability and related contributions.

FINANCIAL ANALYSIS OF THE LANDFILL

Statement of Cash Receipts, Disbursements and Changes in Cash Balance

The purpose of the statement is to present the receipts received by the Landfill and the disbursements paid by the Landfill, both operating and nonoperating. The statement also presents a fiscal snapshot of the Landfill's cash balance at year end. Over time, readers of the financial statement are able to determine the Landfill's cash basis financial position by analyzing the increase or decrease in the Landfill's cash balance.

Operating receipts are received for gate fees from accepting solid waste and assessments from the members of the Landfill. Operating disbursements are disbursements paid to operate the Landfill. Nonoperating receipts and disbursements are primarily for interest on investments, sale of equipment and capital improvements and purchases.

A summary of cash receipts, disbursements and changes in cash balance for the years ended December 31, 2024 and 2023 is presented below.

Changes in Cash Balance		
	2024	2023
Operating Receipts		
Tipping fees and gate charges	\$ 4,242,201	\$ 4,604,245
Member assessments	132,844	114,323
Woodchip sales	36,976	74,686
RCC reimbursements	<u>125,805</u>	<u>149,164</u>
Total Operating Receipts	<u>4,537,826</u>	<u>4,942,418</u>
Operating Disbursements		
Salaries and benefits	1,249,613	1,201,383
Insurance	475,382	451,302
Supplies	78,848	78,321
Promotion	26,279	33,067
Professional fees	436,775	512,284
Fuel	131,894	162,998
Training	12,551	10,769
Utilities	28,551	28,994
Building maintenance	83,639	63,343
Daily cover	41,000	39,435
Monitoring and analysis	38,425	34,403
Recycling	127,882	105,190
Rubble crushing	42,500	---
Leachate hauling and treatment	70,117	42,702
Hazardous waste disposal	112,750	105,324
Equipment repairs and maintenance	132,581	147,271
Department of Natural Resources tonnage fee	179,448	187,643
Miscellaneous	<u>58,318</u>	<u>32,998</u>
Total Operating Disbursements	<u>3,326,553</u>	<u>3,237,427</u>
Operating Receipts over Operating Disbursements	1,211,273	1,704,991
Non-operating Receipts and Disbursements		
Interest on investments	468,842	271,616
Dividend income on investments	1,360	1,247
Capital improvements and purchases		
Equipment	(625,589)	(632,702)
Improvements	<u>(483,364)</u>	<u>(876,644)</u>
Net Non-operating Receipts and Disbursements	<u>(638,751)</u>	<u>(1,236,483)</u>
Change in Cash Balance	572,522	468,508
Cash Balance – Beginning of Year	<u>11,552,295</u>	<u>11,083,787</u>
Cash Balance – End of Year	<u>\$ 12,124,817</u>	<u>\$ 11,552,295</u>
Cash Basis Fund Balance		
Restricted for:		
Closure	\$ 4,568,718	\$ 4,404,462
Postclosure care	2,674,934	2,578,764
Unrestricted	<u>4,881,165</u>	<u>4,569,069</u>
Total Cash Basis Fund Balance	<u>\$ 12,124,817</u>	<u>\$ 11,552,295</u>

In 2024, operating receipts decreased by \$404,592 or 8.2% from 2023. The decrease was a result of a slight decrease in tipping charges and woodchip sales. In 2024, operating disbursements increased by \$89,126 or 2.8% from 2023. The increase in disbursements was not attributable to any one area.

The largest portion of the Landfill’s cash balance \$7,243,652 or 59.7%, is restricted for closure and postclosure care. State and federal laws and regulations require the Landfill to place a final cover on the landfill site and perform certain maintenance and monitoring functions at the landfill sight of a minimum of thirty years after closure. The remaining cash balance, \$4,881,165 or 40.3% is the unrestricted portion that can be used to meet the Landfill’s obligations as they come due. Of the unrestricted funds, \$1,423,404 has been designated by the Board of Directors to be used for specific purposes and are maintained in the following accounts:

Capital Improvement	\$ 702,045
Equipment	721,359
Total	<u>\$ 1,423,404</u>

LONG-TERM DEBT

At December 31, 2024, the Landfill had no long-term debt outstanding.

ECONOMIC FACTORS

The Landfill of North Iowa continues to maintain a strong cash position. The current condition of the economy in the state continues to be a concern for Landfill officials. Some realities which may potentially become challenges for the Landfill to meet are:

- Facilities, processes and related equipment require constant maintenance and replacement.
- As a volunteer participant in the Iowa Department of Natural Resource’s continuous improvement Environmental Management System (EMS) program, LNI is developing and expanding with new and innovative processes.
- The Landfill’s need to expand its current facility will result in the cost of this expansion and increased closure and post-closure cost considerations.
- The requirements of the federal and state regulations and the increasing cost of compliance.

CONTACTING THE LANDFILL’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Landfill’s finances and to show the Landfill’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Landfill of North Iowa at 15942 Killdeer Avenue, Clear Lake, IA, 50428 or by calling (641)357-5452.

Basic Financial Statement

**Landfill of North Iowa
Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
As of and for the year ended December 31, 2024**

Operating Receipts	
Tipping fees and gate charges.....	\$ 4,242,201
Member assessments	132,844
Woodchip sales	36,976
RCC reimbursements.....	<u>125,805</u>
Total Operating Receipts.....	<u>4,537,826</u>
Operating Disbursements	
Salaries and benefits.....	1,249,613
Insurance.....	475,382
Supplies.....	78,848
Promotion	26,279
Professional fees.....	436,775
Fuel	131,894
Training	12,551
Utilities.....	28,551
Building maintenance.....	83,639
Daily cover.....	41,000
Monitoring and analysis	38,425
Recycling.....	127,882
Rubble crushing	42,500
Leachate hauling and treatment	70,117
Hazardous waste disposal	112,750
Equipment repairs and maintenance	132,581
Department of Natural Resources tonnage fee	179,448
Miscellaneous	<u>58,318</u>
Total Operating Disbursements	<u>3,326,553</u>
Operating Receipts over Operating Disbursements	1,211,273
Non-operating Receipts and Disbursements	
Interest on investments	468,842
Dividends on investments	1,360
Capital improvements and purchases	
Equipment	(625,589)
Cell construction.....	<u>(483,364)</u>
Net Non-operating Receipts and Disbursements	<u>(638,751)</u>
Change in Cash Balance	572,522
Cash Balance – Beginning of Year	<u>11,552,295</u>
Cash Balance – End of Year.....	<u>\$ 12,124,817</u>
Cash Basis Fund Balance	
Restricted for:	
Closure	\$ 4,568,718
Postclosure care	2,674,934
Unrestricted.....	<u>4,881,165</u>
Total Cash Basis Fund Balance	<u>\$ 12,124,817</u>

See notes to the financial statement.

Landfill of North Iowa – Notes to the Financial Statement

(1) Summary of Significant Accounting Policies

The Landfill of North Iowa is a separate legal entity incorporated under Chapter 28E of the Code of Iowa. Its purpose is to provide for the economic disposal of all solid waste produced or generated within each member Landfill, town and unincorporated portions of North Central Iowa.

The governing body of the Landfill consists of representatives from each member. The members of the Landfill include Cerro Gordo, Franklin and Hancock counties and the cities of Clear Lake, Coulter, Dougherty, Forest City, Geneva, Grafton, Garner, Hampton, Hanlontown, Hansel, Joice, Kensett, Klemme, Latimer, Manly, Mason City, Meservey, Nora Springs, Northwood, Plymouth, Popejoy, Rock Falls, Rockwell, Sheffield, Swaledale, Thornton and Ventura. The number of votes for each member is based upon the population of the member Landfill, town or unincorporated area.

Reporting Entity

For financial reporting purposes, the Landfill of North Iowa, has included all funds, organizations, agencies, boards, commissions and authorities. The Landfill 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 Landfill are such that exclusion would cause the Landfill's financial statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Landfill 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 Landfill. The Landfill has no component units which meet the Governmental Accounting Standards Board criteria.

Basis of Presentation

The accounts of the Landfill are organized as an enterprise fund. Enterprise funds are utilized to finance and account for the acquisition, operation and maintenance of governmental facilities and services supported by user charges.

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

Basis of Accounting

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

Cash Basis Fund Balance

Funds set aside for payment of closure and postclosure care are classified as restricted and totaled \$7,243,652 as of December 31, 2024. See Note 5.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported receipts and disbursements.

Landfill of North Iowa – Notes to the Financial Statement

(2) Cash and Investments

The Landfill's deposits in banks at December 31, 2024 were entirely covered by federal depository insurance or the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Landfill has a written investment policy and 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 members of the Landfill; 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 December 31, 2024, the Landfill had the following investments:

Investment	Carrying Amount	Fair Value	Maturity
U.S. Treasury Note	\$ 549,502	\$ 527,628	August, 2029
U.S. Treasury Note	340,289	352,610	November, 2025
U.S. Treasury Note	496,285	500,000	January, 2026
U.S. Treasury Note	<u>299,871</u>	<u>298,301</u>	June, 2029
Total	<u>\$ 1,685,947</u>	<u>\$ 1,678,539</u>	

The Landfill uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for the U.S. Treasury Notes of \$1,678,539 was determined using the last reported sales price at current exchange rates. (Level 1 inputs).

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

(3) Pension Plan

Plan Description

IPERS membership is mandatory for employees of the Landfill, except for those covered by another retirement system. Employees of the Landfill are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employee's Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P. O. Box 9117, Des Moines, IA 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.

Landfill of North Iowa – Notes to the Financial Statement

(3) Pension Plan

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 the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month 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.

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 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.

Through December 31, 2024, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the Landfill contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Landfill's contributions to IPERS for the year ended December 31, 2024 totaled \$99,622.

Landfill of North Iowa – Notes to the Financial Statement

(3) Pension Plan

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Landfill had a liability of \$489,770 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Landfill's proportion of the net pension liability was based on the Landfill's share of contributions to IPERS relative to the contributions of all IPERS participating employers. As of June 30, 2023, the Landfill's proportion was 0.010851%, which was an increase of 0.000200% from its proportion measured at June 30, 2022.

For the year ended June 30, 2024, the Landfill's pension expense, deferred outflows of resources and deferred inflows of resources totaled \$41,617, \$383,413 and \$298,640, respectively.

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, as follows:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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 geometric 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	21.0%	4.56%
International equity	16.5%	6.22%
Global smart beta equity	5.0%	5.22%
Core plus fixed income	23.0%	2.69%
Public credit	3.0%	4.38%
Cash	1.0%	1.59%
Private equity	17.0%	10.44%
Private real assets	9.0%	3.88%
Private credit	4.5%	4.60%
Total	100.0%	

Landfill of North Iowa – Notes to the Financial Statement

(3) Pension Plan

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 contributions from the Landfill 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 to 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.

Sensitivity of Landfill's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the Landfill's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Landfill's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1 % Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Landfill's proportionate share of the net pension liability	\$ 1,041,361	\$ 489,770	\$ 27,528

IPERS' Fiduciary Net Position

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

(4) Other Postemployment Benefits (OPEB)

Plan Description

The Landfill operates a single-employer benefit plan which provides medical, prescription drug, vision and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The Landfill currently finances the benefit plan on a pay-as-you-go basis. For the year ended December 31, 2024, the Landfill contributed \$351,047 and plan members eligible for benefits contributed \$3,062 to the plan. At December 31, 2024, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits

Individuals who are employed by Landfill of North Iowa and are eligible to participate in the group health plan and are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical, prescription drug, dental and vision benefits as active employees, which results in an implicit rate subsidy.

Retired participants must be age 55 or older at retirement. At December 31, 2024, there were 12 active employees and no inactive or retired employees covered by the benefit terms.

(5) Closure and Postclosure Care

To comply with federal and state regulations, the Landfill is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the Landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year care requirements for all municipal solid waste landfills which 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 requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide when a landfill stops

Landfill of North Iowa – Notes to the Financial Statement

(5) Closure and Postclosure Care

accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that year. Estimated total costs consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Landfill have been estimated to be \$5,178,009 for closure and \$3,721,294 for postclosure care, for a total of \$8,899,303 as of December 31, 2024. The estimated remaining life of the permitted landfill is 13.1 years, with approximately 54.0% of the landfill's capacity used at December 31, 2024.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The Landfill has begun to accumulate resources to fund these costs and, at December 31, 2024, assets of \$7,243,652 are restricted for these purposes, of which \$4,568,718 is for closure and \$2,674,934 is for postclosure care. They are reported as restricted cash balance in the statement of cash receipts, disbursements and changes in cash balance.

Also, pursuant to Chapter 567-113.14 of the Iowa Administrative Code (IAC), since the estimated closure and postclosure care costs are not fully funded, the Landfill is required to demonstrate financial assurance for unfunded costs. The Landfill has adopted the dedicated fund financial assurance mechanism. Under this mechanism, the Landfill must certify the following to the Iowa Department of Natural Resources:

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

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

NP = Next payment

CE = Total required financial assurance

CB = Current balance of the fund

Y = Number of years remaining in the pay-in period

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

The Landfill was in compliance with Iowa Department of Natural Resources rules at December 31, 2024.

(6) Solid Waste Tonnage Fees Retained

The Landfill has established an account for restricting and using solid waste tonnage fees retained by the Landfill in accordance with Chapter 455B.310 of the Code of Iowa. At December 31, 2024, the Landfill had no unspent tonnage fees.

Landfill of North Iowa – Notes to the Financial Statement

(7) Risk Management

The Landfill is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 803 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, employment practices liability, public officials liability, cyber liability, law enforcement liability and property. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual 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 estimated for the fiscal 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 at a level determined by the Board not to exceed 300% of basis rate.

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, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal 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 Landfill's property and casualty contributions to the Pool are recorded as disbursements from its operating funds at the time of payment to the Pool. The Landfill's contributions to the Pool for the year ended December 31, 2024 were \$98,811.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Landfill's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$500,000 each occurrence, each location. Property risks exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Landfill's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the Landfill's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred. As of December 31, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. 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.

The Landfill also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$20,000, respectively. The Landfill assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Landfill of North Iowa – Notes to the Financial Statement

(8) Compensated Absences

Landfill employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Landfill until used or paid. The Landfill’s approximate liability for earned vacation payments as of December 31, 2024 was \$33,000. This liability has been computed based on rates of pay in effect as of December 31, 2024.

(9) Major Customers

During the year ended December 31, 2024, the Landfill received approximately 35% of its tipping fees and gate charges from the following customers:

Customer A	\$ 1,056,893
Customer B	<u>446,446</u>
Total	\$ <u>1,503,339</u>

(10) Designated Funds

The Landfill maintains designated funds in separate investment accounts which are identified for specific purposes, as follows:

Capital Improvement	\$ 702,045
Equipment	<u>721,359</u>
Total	\$ <u>1,423,404</u>

(11) Subsequent Events

Management has evaluated subsequent events through March 3, 2025, the date the financial statements were available to be issued.

Other Information

**Schedule of the Landfill's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Ten Fiscal Years***

	Other Information									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Landfill's proportion of the net pension liability	0.010851%	0.010651%	-0.004050%	0.009558%	0.010079%	0.009931%	0.009567%	0.010024%	0.001006%	0.010304%
Landfill's proportionate share of the net pension liability	\$ 489,770	\$ 402,409	\$ 13,980	\$ 671,435	\$ 583,639	\$ 628,486	\$ 637,478	\$ 630,834	\$ 497,074	\$ 408,664
Landfill's covered payroll	\$ 1,028,000	\$ 903,000	\$ 822,000	\$ 779,000	\$ 767,000	\$ 756,000	\$ 734,000	\$ 697,000	\$ 715,000	\$ 667,000
Landfill's proportionate share of the net pension liability as a percentage of its covered payroll	47.64%	44.56%	1.70%	86.19%	76.09%	83.13%	86.85%	90.51%	69.52%	61.27%
IPERS' net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	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.

See accompanying independent auditor's report.

**Landfill of North Iowa
Schedule of Landfill's Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years**

	Other Information									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 99,622	\$ 97,040	\$ 85,220	\$ 77,622	\$ 73,497	\$ 72,384	\$ 69,453	\$ 65,508	\$ 62,280	\$ 63,820
Contributions in relation to the statutorily required contribution	<u>(99,622)</u>	<u>(97,040)</u>	<u>(85,220)</u>	<u>(77,622)</u>	<u>(73,497)</u>	<u>(72,384)</u>	<u>(69,453)</u>	<u>(65,508)</u>	<u>(62,280)</u>	<u>(63,820)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Landfill's covered payroll	\$1,055,209	\$1,028,000	\$ 903,000	\$ 822,000	\$ 779,000	\$ 767,000	\$ 756,000	\$ 734,000	\$ 697,000	\$ 715,000
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	9.18%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

Landfill of North Iowa
Notes to Other Information – Pension Liability
Year ended December 31, 2024

Changes of benefit terms

There are no significant changes in benefit terms.

Changes of assumptions

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for regular members.
- Lowered disability rates for regular members.
- Adjusted termination rates for all membership groups.

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%.

Rachelle K. Thompson, CPA, PLLC

Certified Public Accountant

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

To the Members of the Landfill of North Iowa:

I have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Landfill of North Iowa, as of and for the year ended December 31, 2024, and the related notes to financial statement, and have issued my report thereon dated March 3, 2025. My report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than accounting principles generally accepted in the United States.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statement, I considered the Landfill of North Iowa'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 my opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Landfill of North Iowa's internal control. Accordingly, I do not express an opinion on the effectiveness of the Landfill of North Iowa'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 Landfill of North Iowa's financial statement 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.

My 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified a certain deficiency in internal control, described in Part I of the accompanying schedule of findings as item 2024-001 that I consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Landfill of North Iowa's financial statement is free of material misstatement, I 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters which are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying schedule of findings.

Comments involving statutory and other legal matters about the Landfill's operations for the year ended December 31, 2024 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statement of the Landfill. Since my 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.

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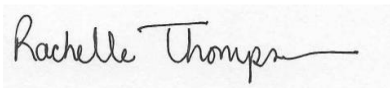
thompsoncpa2@gmail.com

Landfill of North Iowa's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Landfill of North Iowa's response to the finding identified in my audit and described in the accompanying schedule of findings. The Landfill of North Iowa's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Landfill'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 Landfill's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Rachelle Thompson". The signature is written in black ink on a light-colored background.

Hampton, Iowa

March 3, 2025

**Landfill of North Iowa
Schedule of Findings
Year ended December 31, 2024**

Part I: Findings related to the Financial Statement

Instances of Noncompliance

There were no reported instances of noncompliance.

Internal Control Deficiency

2024-001 Segregation of Duties

Criteria – Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the Landfill's financial statements.

Condition - Generally, one individual at the Landfill has control over charge accounts, including billing, deposit preparation, posting transactions to accounting records and reconciling payments to accounts receivable records.

Cause – The Landfill has a limited number of employees, which makes it difficult to design procedures to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect – Inadequate segregation of duties could adversely affect the Landfill's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation – the Landfill should review its control activities to obtain the maximum internal control possible under the circumstances utilizing currently available staff or designate a member of the Board to provide additional control through review of financial transactions to help ensure accounts receivable charges and payments on account are properly recorded and deposited intact.

Response – We are aware of the lack of segregation of duties and recognize that it would not be cost-effective to hire additional personnel solely to maximize the segregation of accounting duties due to its size. However, the Landfill staff diligently strives to improve upon the existing accounting procedures and policies by implementing innovative processes for checks and balances that maximize transparency between staff, the Landfill Board and the public.

Conclusion – Response accepted.

Part II: Other Findings Related to Required Statutory Reporting

2024-A Questionable Disbursements – No disbursements I believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

2024-B Travel Expense – No disbursements of Landfill money for travel expenses of spouses of Landfill officials or employees were noted.

2024-C Restricted Donor Activity – No transactions were noted between the Landfill, Landfill officials, Landfill employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

**Landfill of North Iowa
Schedule of Findings
Year ended December 31, 2024**

2024-D Landfill Minutes – No transactions were found that I believe should have been approved in the minutes but were not.

2024-E Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the code of Iowa and the Landfill's investment policy were noted.

2024-F Solid Waste Fees Retainage – No instances of noncompliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa were noted.

2024-G Financial Assurance – The Landfill has elected to demonstrate financial assurance for closure and postclosure care by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code (IAC). The calculation is made as follows:

	Closure	Postclosure Care	Total
Total estimated cost for closure and postclosure care	5,178,009	3,721,294	8,899,303
Less: Balance of funds held in the local dedicated fund at December 31, 2023	<u>4,404,462</u>	<u>2,578,764</u>	<u>6,983,226</u>
	773,547	1,142,530	1,916,077
Divided by the number of years remaining in the pay-in-period	<u>10.0</u>	<u>10.0</u>	
Required payment into the local dedicated fund for the year ended December 31, 2024	77,355	114,253	191,608
Balance of funds held in the local dedicated fund at December 31, 2023	<u>4,404,462</u>	<u>2,578,764</u>	<u>6,983,226</u>
Balance of funds required to be held in the local dedicated fund at December 31, 2024	<u>\$ 4,481,817</u>	<u>\$ 2,693,017</u>	<u>\$ 7,174,834</u>
Amount the Landfill has restricted and reserved for closure and postclosure care at December 31, 2024	<u>\$ 4,568,718</u>	<u>\$ 2,674,934</u>	<u>\$ 7,243,652</u>

Iowa Department of Natural Resources rules and regulations require deposits into the closure and postclosure care accounts be made at least annually within 30 days of the close of each fiscal year. The Landfill will make the above deposit as required.

**Summary of Cost Estimate for Financial Assurance for 2025 Payment
Landfill of North Iowa
Permit #17-SDP-01-75P**

Date Of Update: March 4, 2025

Open area		52.78 acres
Total landfill area		93.26 acres
Closure Cells 2 & 3 clay lined	\$	406,702
Closure 4, 5, A (Ph I, II, III)	\$	4,882,307
Post Closure	\$	3,721,294
		Entire landfill
Total Closure/Post-Closure Cost Estimate (CE)	\$	9,010,302
Current C/PC Balance 31, 2024 (CB)	\$	7,279,300
Remaining Constructed Capacity (Y)*	\$	10
Required 2024 Fund Deposit (CE-CB)/Y	\$	173,100

Financial Assurance	2023 FA	2024 FA	% Increase
Closure Costs	\$ 4,729,169	\$ 5,289,009	11.84%
Post Closure Costs	\$ 3,609,121	\$ 3,721,294	3.11%
Total Closure/Post Closure Costs	\$ 8,338,290	\$ 9,010,302	8.06%

*** Remaining Capacity (Y)**

Remaining Constructed Airspace	1,819,800	cy
5-Year Average In-Place Waste Density	1,437	lbs/cy
Remaining Construction Airspace	1,307,526	Tons
2024 Total Buried Waste	99,843	Tons
Remaining Capacity (RC)	13.10	Years
	RC>10; Y=10	

**Financial Assurance Closure Cost Estimate
Landfill of North Iowa
Permit #17-SDP-01-75P**

FA 2024 Date Prepared: March 4, 2025
 Site Area: 52.78
 Inflation Factor: 1.02400 Provided by IDNR 1/30/2025

Cells 2 & 3 - clay liner/cap

Item	Unit	Quantity	2024 Unit Cost	2024 Total Cost	Comments
Document Revisions	LS	1	\$ -	-	incl. in eng. and tech. services
Grading Layer	Acre	7.58	\$ 2,000	\$ 15,160	Estimated Cost
Import Clay Soil	CY	25813	\$ 4.00	\$ 103,253	Estimated Cost
2-Foot Compacted Clay Cap	CY	25,813	\$ 3.50	\$ 90,347	Estimated Cost
18" Root Zone	CY	19,360	\$ 2.50	\$ 48,400	Estimated Cost
6-Inch Vegetative Layer	CY	6,453	\$ 2.50	\$ 16,133	Estimated Cost
Erosion Control - Seeding and Mulching	Acre	7.58	\$ 2,200	\$ 16,676	Estimated Cost
Facility Modifications for Closure	LS	1	\$ 10,000	\$ 10,000	Estimated Cost
Engineering and Technical Services	LS	1	\$ 100,000	\$ 100,000	Estimated Cost
Legal, Financial and Administrative Services	LS	1	\$ 6,732	\$ 6,732	Estimated Cost
Closure Compliance Certifications	LS	1	\$ -	-	incl. in eng. and tech. services
Subtotal				\$ 406,702	

Cells 4, 5, A (Ph I, II, III) - composite liner/cap

Item	Unit	Quantity	2024 Unit Cost	2024 Total Cost	Comments
Document Revisions	LS	1	\$ -	-	incl. in eng. and tech. services
Grading Layer	acre	45.20	\$ 2,000	\$ 90,400	Estimated Cost
Gas Vapor Layer	SF	1,969,140	\$ 0.50	\$ 984,570	Estimated Cost
Import Clay Soil	CY	109,396	\$ 4.00	\$ 437,584	Estimated Cost
18-Inch Compacted Clay Layer	CY	109,396	\$ 3.50	\$ 382,886	Estimated Cost
Final Cap Construction - HDPE	SF	1,969,140	\$ 1.10	\$ 2,166,054	Estimated Cost
18-Inch Rooting Zone	CY	109,396	\$ 2.50	\$ 273,490	Estimated Cost
6-Inch Vegetative Layer	CY	36,465	\$ 2.50	\$ 91,163	Estimated Cost
Erosion Control - Seeding and Mulching	Acre	45.2	\$ 2,200	\$ 99,440	Estimated Cost
Facility Modifications for Closure	LS	1	\$ 50,000	\$ 50,000	Estimated Cost
Engineering and Technical Services	LS	1	\$ 300,000	\$ 300,000	Estimated Cost
Legal, Financial and Administrative Services	LS	1	\$ 6,719	\$ 6,719	Estimated Cost
Closure Compliance Certifications	LS	1	\$ -	-	incl. in eng. and tech. services
Subtotal				\$ 4,882,307	

Total				\$ 5,289,009	
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I hereby certify that this engineering document was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.

Brian K. Harthun 3/4/2025
 (signature) (date)
 Brian K. Harthun, P.E.

My license renewal date is December 31, 2026
 This page is covered by the affixed seal.



**Financial Assurance Post Closure Care Cost Estimate
Landfill of North Iowa
Permit #17-SDP-01-75P**

FA 2024
93.26 acres
1.02400 Provided by IDNR 1/30/2025

Cells 2 & 3 - clay lined area

Cells 4, 5, A (Ph I, II, III) - composite lined

Item	Unit	Quantity	2024 Unit Cost	Total Cost	Comments
General Site Facility Maintenance	acre	93.26	\$ 100	\$ 9,326	Estimated Cost
Final Cover Maintenance	acre	93.26	\$ 200	\$ 18,652	Estimated Cost
Drainage and Erosion Control Maintenance	acre	93.26	\$ 100	\$ 9,326	Estimated Cost
Groundwater and Waste Separation System Maintenance	year	1	\$ 1,000	\$ 1,000	Estimated Cost
Gas Control System Maintenance	year	1	\$ 200	\$ 200	Estimated Cost
Gas Control System Monitoring and Reports	year	1	\$ 1,000	\$ 1,000	Estimated Cost
Groundwater/Surface Water Monitoring System Maintenance	year	1	\$ 1,000	\$ 1,000	Estimated Cost
Groundwater Monitoring Systems Evaluations and Reports	year	1	\$ 15,000	\$ 15,000	Estimated Cost
Leachate Control Systems Maintenance	year	1	\$ 5,000	\$ 5,000	Estimated Cost
Leachate Management, Transportation and Disposal	year	1	\$ 30,000	\$ 30,000	Estimated Cost
Leachate Control Performance Evaluations and Reports	year	1	\$ 4,000	\$ 4,000	Estimated Cost
Facility Inspections and Reports	year	1	\$ 4,000	\$ 4,000	Estimated Cost
Engineering and Technical Services	year	1	\$ 20,000	\$ 20,000	Estimated Cost
Legal, Financial and Administrative Services	year	1	\$ 2,770	\$ 2,770	Estimated Cost
Financial Assurance, Accounting, Audits and Reports	year	1	\$ 2,770	\$ 2,770	Estimated Cost
Annual Cost				\$ 124,043	

Post Closure Care Period 30 years

Total \$ **3,721,294**



I hereby certify that this engineering document was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.

Brian K. Harthun 3/4/2025
 (signature) (date)
 Brian K. Harthun, P.E.

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