TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Independent Auditors' Reports
Basic Financial Statements
and Other Information
Schedule of Findings

June 30, 2020 and 2019

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

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TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Officials

Name	Title	Representing
Linn Snell	Chair	City of Elberon
Gordon Fassett	Vice Chair	City of Clutier
Dwight Surber	Executive Board	City of Gladbrook
Steve VanDeWalle	Executive Board	City of Chelsea
Barton Jensen	Executive Board	City of Dysart
Rick Raymond	Commission Member	City of Garwin
Open	Commission Member	City of Vining
Open	Commission Member	City of Lincoln
Luther Heller	Commission Member	City of Montour
Leslie Richter	Commission Member	City of Toledo
Mindy Benson	Commission Member	City of Tama
Mark Mason	Commission Member	City of Traer
Curtis Seymour	Commission Member	Sac & Fox Tribal Council
Larry Vest	Commission Member	Tama County
Kendall Jordan	Commission Member	Tama County
Dan Anderson	Commission Member	Tama County
David Sherwood	Administrator	
Chris Wilson	Secretary/Bookkeeper	

BOWMAN & MILLER, P.C.

CERTIFIED ♦ PUBLIC ♦ ACCOUNTANTS

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Independent Auditors' Report

To the Members of the Tama County
Solid Waste Disposal Commission:

Report on the Financial Statements

We have audited the accompanying financial statements of the Tama County Solid Waste Disposal Commission as of and for the years ended June 30, 2020 and 2019, and the related Notes to Financial Statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash basis financial position of the Tama County Solid Waste Disposal Commission as of June 30, 2020 and 2019, and the respective changes in its cash basis financial position for the years then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Other Information

The other information, the Schedules of Comparisons of Disbursements with Budgets, the Schedule of the Commission's Proportionate Share of the Net Pension Liability and the Schedule of Commission Contributions on pages 16 through 22, has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2020 on our consideration of the Tama County Solid Waste Disposal Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Commission'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 Tama County Solid Waste Disposal Commission's internal control over financial reporting and compliance.

Bowman & Miller, P.C.

Marshalltown, Iowa
October 6, 2020

Exhibit A

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Statements of Cash Receipts, Disbursements and Changes in Cash Balance

As of and for the Years Ended June 30, 2020 and 2019

	2020	2019
Operating receipts:		
Per capita assessments	$ 279,168	284,272
Tipping fees and gate charges	811,194	840,807
Miscellaneous	6,015	13,124
Total operating receipts	1,096,377	1,138,203
Operating disbursements:		
Administrator salary	61,043	59,570
Salaries-full time	132,460	141,630
Salaries-part time	3,454	1,416
Payroll taxes	14,949	15,184
IPERS - employer share	18,032	18,768
Health insurance	66,342	80,536
Education	1,640	1,651
Office supplies	10,875	8,452
Telephone	948	918
Recycling	99,415	96,737
Utilities	5,084	5,437
Fuel and oil	40,074	32,781
Sales tax	5,532	6,126
Repairs	175,656	91,283
Development and improvements	138,386	96,461
Insurance	16,288	17,601
Mileage	918	945
Engineering/testing/inspection	-	6,353
Professional fees	5,373	5,106
Tonnage fees	48,740	50,786
Total operating disbursements	845,209	737,741
Excess of operating receipts over operating disbursements	251,168	400,462
Non-operating receipts (disbursements):		
Interest on investments	85,108	84,634
Grant income	87,358	-
New cell construction	(50,479)	-
New equipment	(301,000)	(55,111)
Investment fees	(18)	(8)
Net non-operating receipts (disbursements)	(179,031)	29,515
Change in cash balance	72,137	429,977
Cash balance beginning of year	4,557,120	4,127,143
Cash balance end of year	$ 4,629,257	4,557,120

See notes to financial statements.

Exhibit A

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Statements of Cash Receipts, Disbursements and Changes in Cash Balance (Continued)

As of and for the Years Ended June 30, 2020 and 2019

	2020	2019
Cash Basis Fund Balance		
Restricted for:		
Closure/postclosure care	$ 2,443,168	2,351,135
Unrestricted	2,186,089	2,205,985
Total cash basis fund balance	$ 4,629,257	4,557,120

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Notes to Financial Statements
June 30, 2020 and 2019

Note 1 - Summary of Significant Accounting Policies

The Tama County Solid Waste Disposal Commission was formed in 1973 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to develop, operate and maintain solid waste and recycling facilities in Tama County on behalf of the units of government which are members of the Commission.

The governing body of the Commission is composed of one representative from each member city and three representatives from the member county. The members of the Commission include Tama County and the cities of Chelsea, Clutier, Dysart, Elberon, Garwin, Gladbrook, Lincoln, Montour, Tama, Toledo, Traer, and Vining, as well as the Sac and Fox Tribal Council. Each member of the Commission has one vote, except for Tama County, which has three votes.

A. Reporting Entity

For financial reporting purposes, the Tama County Solid Waste Disposal Commission has included all funds, organizations, agencies, boards, commissions and authorities. The Commission has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Commission to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Commission. The Commission has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

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

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

C. Basis of Accounting

The Commission maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the Commission are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items, including the estimated payables for closure and postclosure care. Accordingly, the financial statements does not present the financial position and results of operations of the Commission in accordance with U.S. generally accepted accounting principles.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Cash Basis Fund Balance

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

Note 2 - Cash and Investments

The Commission's deposits in banks at June 30, 2020 and 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The Commission is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Commission; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2020 and 2019, the Commission had the following investments:

	Investment	Carrying Amount	Fair Value
2020	Certificates of deposits	$ 3,195,053	3,289,637
2019	Certificates of deposits	$ 3,478,245	3,430,557

The Commission 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 certificates of deposits as of June 30, 2020 and 2019 of $3,289,637 and $3,430,557, respectively, were determined using the last reported sales price at current exchange rates. (Level 1 inputs)

The Commission had no other investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No.72.

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

Note 3 - Pension Plan

Plan Description - IPERS membership is mandatory for employees of the Commission, except for those covered by another retirement system. Employees of the Commission are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' 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, 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 on or after 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.

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.

Note 3 - Pension Plan (continued)

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.

In fiscal years 2020 and 2019, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Commission contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Commission's contributions to IPERS for the years ended June 30, 2020 and 2019 totaled $18,032 and $18,768, respectively.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the Commission had a liability of $151,210 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the Commission's proportion was 0.002594%, which was a increase of 0.000135% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Commission recognized pension expense, deferred outflows of resources and deferred inflows of resources totaled $27,815, $23,764 and $29,624, respectively.

There were no non-employer contributing entities to IPERS.

Note 3 - Pension Plan (continued)

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

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, 2019 valuation were based on the results of an economic assumption study dated study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Morality rates used in the 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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	22.0 %	5.60 %
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	100.0 %	

Note 3 - Pension Plan (continued)

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 Commission 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 the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate 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%)
Commission's proportionate share of the net pension liability	$ 268,500	151,210	52,828

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.

Note 4 - Other Postemployment Benefits (OPEB)

Plan Description - The Commission participates in the Tama County health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The Commission currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Commission and the plan members range from $974 for single coverage to $2,135 for family coverage. For the year ended June 30, 2020 and 2019, the Commission contributed $66,342 and $80,536, respectively, and plan members eligible for benefits contributed $2,647 and $2,834, respectively, to the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits - Individuals who are employed by Tama County Solid Waste Disposal Commission and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy.

Note 4 - Other Postemployment Benefits (OPEB) (continued)

Retired participants must be age 55 or older at retirement. At June 30, 2020 and 2019, there were two and four active employees, respectively, covered by the benefit terms. There were no inactive employees or beneficiaries currently receiving benefit payments for the years ended June 30, 2020 and 2019.

Note 5 - Closure and Postclosure Care

To comply with federal and state regulations, the Commission is required to complete a monitoring system plan and a closure/postclosure plan and to provide funding necessary to effect closure and postclosure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year care requirements for all municipal solid waste landfills 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 accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

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

These costs for the Commission have been estimated to be $1,581,400 and $1,577,200, respectively, for closure and $1,506,000 and $1,488,000, respectively, for postclosure care, for a total of $3,087,400 and $3,065,200 as of June 30, 2020 and 2019. The estimated remaining life of the landfill is 8.93 years, with approximately 81.11% of the landfill's capacity used at June 30, 2020.

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 Commission has begun to accumulate resources to fund these costs and, at June 30, 2020, assets of $2,443,168 are restricted for these purposes, of which $1,034,821 is for closure and $1,408,347 is for postclosure care. They are reported as restricted cash balance in the Statements of Cash Receipts, Disbursements and Changes in Cash Balance.

Note 5 - Closure and Postclosure Care (continued)

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

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

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

NP = next payment
CE = total required financial assurance
CB = current balance of the fund
Y = number 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 Commission is not required to establish closure and postclosure accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

Note 6 - Solid Waste Tonnage Fees Retained

The Commission has established an account for restricting and using solid waste tonnage fees retained by the Commission in accordance with Chapter 455B.310 of the Code of Iowa. At June 30, 2020 and 2019, the Commission had no unspent tonnage fees.

Note 7 - Risk Management

Tama County is a member of the Heartland Insurance Risk Pool (Pool), as allowed by Chapter 331.301 of the Code of Iowa. Tama County Solid Waste Disposal Commission falls under Tama County's policy with the Pool. The Pool is a local government risk-sharing pool whose membership includes ten counties throughout the State of Iowa. The Pool was formed in July 1987 to provide workers' compensation and property/casualty insurance for its members. The risk pool was created for the purposes of providing and maintaining self-insurance benefits on a group basis substantially at cost.

Note 7 - Risk Management (continued)

Each member (County) is responsible for the payment of member contributions to the risk pool on an annual basis. Member contributions to the risk pool are recorded as expenditures from the operating funds at the time of payment to the risk pool. In the event of payment of any loss by the risk pool, the risk pool is subrogated to the extent of such payment to all the rights of the member County against any person or other entity legally responsible for damages for said loss, and in such event, the member County is responsible for rendering all reasonable assistance, other than pecuniary assistance, to affect recovery. The risk pool is responsible for paying the reinsurance premiums on the insurance policies when due, to pay claims in accordance with the various coverages and to make other payments as required by applicable law, to establish and accumulate a reserve or reserves in amounts which are deemed advisable or required by law to carry out the purposes of the risk pool, and to pay all reasonable and necessary expenses for administering the risk pool and fund.

Initial risk of loss for the self-insured coverage is retained by the risk pool subject to applicable deductibles. The risk pool obtained a reinsurance policy for the year ended June 30, 2020, which covers exposures of specific losses in excess of $750,000, with a $250,000 corridor deductible, per occurrence up to the statutory limits for workers compensation, and in excess of $400,000 per occurrence, up to a maximum of $4,000,000 per occurrence, including the retention of the pool, for general liability, police professional, errors and omissions and automobile liability. The risk pool records a liability for unpaid claims based on estimates of reported and incurred but not reported claims and related loss adjustments expenses. At June 30, 2020 and 2019, the risk pool reported a surplus of assets over liabilities.

Member Counties retain the risk of claims, if any, exceeding maximum reinsurance coverages and the amount of surplus maintained in the risk pool by means of an assessment that would be charged to the member in addition to the premium contributions. At June 30, 2020, settled claims have not exceeded the risk pool or reinsurance coverage since commencement of the risk pool.

The Commission's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Commission's annual contributions to the Pool for the years ended June 30, 2020 and 2019 were $16,288 and $17,601, respectively.

Initial membership into the risk pool is for a mandatory three-year period. Subsequent to the initial term, a member may withdraw at the end of any given fiscal year. The initial membership period for Tama County commenced July 1, 1987 and is subject to renewal every three years. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 8 - Control of Landfill Commission Funds

The Commission has two main sources of revenue: gate receipts and per capita assessments. All gate fees are deposited with Tama County. Per capita assessments received are deposited into the checking account at the Commission. Tama County accounts for approximately 33% of per capita assessments. As the County requires additional funds, the Commission remits a portion of these per capita assessments to Tama County. The majority of claims are paid by Tama County, after approval by the Commission Board.

Note 9 - Compensated Absences

Commission employees accumulate a limited amount of earned but unused compensatory time and vacation hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Commission until used or paid. The Commission's approximate liability for earned compensatory time and vacation payments at June 30, 2020 and 2019 is as follows:

Type of Benefit	2020	2019
Vacation and compensatory time	$ 7,494	9,747

This liability has been computed based on rates of pay in effect as of June 30, 2020 and 2019.

Note 10 - Related Parties

Two Commission members are owner/operators of garbage collection businesses which utilize the Tama County Solid Waste Disposal for its dumping. Receipts collected during the fiscal years ended June 30, 2020 and 2019 from these businesses totaled $62,894 and $59,715, respectively. The Commission members owed at June 30, 2020 and 2019, $7,588 and $5,805, respectively. They are billed on a monthly basis for invoices charged during the previous month.

Note 11 – Subsequent Events

On August 10, 2020, a derecho storm struck the landfill and caused an estimated $166,475 in damages to the landfill's assets. The majority, if not all, of these costs are expected to be covered by insurance.

The Commission has evaluated all subsequent events through October 6, 2020, the date the financial statements were available to be issued.

Other Information

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Schedule of Comparisons of Disbursements with Budgets
For the Year Ended June 30, 2020

		Budget	Funds Expended Through County Auditor	(Favorable) Unfavorable Variance	Funds Expended Through Landfill Treasurer	Total Funds Expended
Administrator salary	$	61,043	61,043	-	-	61,043
Salaries - full time		145,457	132,460	(12,997)	-	132,460
Salaries - part time		3,000	3,454	454	-	3,454
Payroll taxes		16,200	14,949	(1,251)	-	14,949
IPERS-employer share		20,000	18,032	(1,968)	-	18,032
Health insurance		85,000	66,342	(18,658)	-	66,342
Education		1,500	1,640	140	-	1,640
Office supplies		5,800	10,875	5,075	-	10,875
Telephone		1,200	948	(252)	-	948
Recycling		120,000	99,415	(20,585)	-	99,415
Utilities		5,000	5,084	84	-	5,084
Fuel and oil		40,000	40,074	74	-	40,074
Sales tax		8,000	5,532	(2,468)	-	5,532
Repairs		66,500	175,656	109,156	-	175,656
Development and improvements		150,000	138,386	(11,614)	-	138,386
Insurance		22,500	16,288	(6,212)	-	16,288
Mileage		1,000	918	(82)	-	918
Engineering/testing/inspection		25,000	-	(25,000)	-	-
Professional fees		7,000	5,373	(1,627)	-	5,373
Tonnage fees		-	48,740	48,740	-	48,740
New equipment		27,500	301,000	273,500	-	301,000
Cell development		95,000	50,479	(44,521)	-	50,479
Buildings		-	-	-	-	-
Investment fees		-	18	18	-	18
Total	$	906,700	1,196,706	290,006	-	1,196,706

See accompanying independent auditors' report.

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Schedule of Comparisons of Disbursements with Budgets
For the Year Ended June 30, 2019

		Budget	Funds Expended Through County Auditor	(Favorable) Unfavorable Variance	Funds Expended Through Landfill Treasurer	Total Funds Expended
Administrator salary	$	59,570	59,570	-	-	59,570
Salaries - full time		135,430	141,630	6,200	-	141,630
Salaries - part time		4,000	1,416	(2,584)	-	1,416
Payroll taxes		15,200	15,184	(16)	-	15,184
IPERS-employer share		18,000	18,768	768	-	18,768
Health insurance		51,000	80,536	29,536	-	80,536
Education		1,000	1,651	651	-	1,651
Office supplies		5,500	8,452	2,952	-	8,452
Telephone		1,000	918	(82)	-	918
Recycling		80,000	96,737	16,737	-	96,737
Utilities		5,000	5,437	437	-	5,437
Fuel and oil		30,000	32,781	2,781	-	32,781
Sales tax		8,000	6,126	(1,874)	-	6,126
Repairs		51,000	91,217	40,217	-	91,217
Development and improvements		150,000	96,461	(53,539)	-	96,461
Insurance		23,500	17,601	(5,899)	-	17,601
Mileage		800	945	145	-	945
Engineering/testing/inspection		25,000	6,353	(18,647)	-	6,353
Professional fees		6,000	5,106	(894)	-	5,106
Tonnage fees		-	50,786	50,786	-	50,786
New equipment		52,000	55,111	3,111	-	55,111
Cell development		-	-	-	-	-
Buildings		5,000	66	(4,934)	-	66
Investment fees		-	8	8	-	8
Total	$	727,000	792,860	65,860	-	792,860

See accompanying independent auditors' report.

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Schedule of the Commission's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Six Years
Other Information

		2020	2019	2018	2017
Commission's proportion of the net pension liability		0.002594%	0.002459 %	0.002476 %	0.001995 %
Commission's proportionate share of the net pension liability	$	151,210	155,590	164,958	125,551
Commission's covered payroll	$	198,728	184,798	184,850	143,838
Commission's proportionate share of the net pension liability as a percentage of its covered payroll		76.09 %	84.19 %	89.24 %	87.29 %
IPERS' net position as a percentage of the total pension liability		85.45 %	83.62 %	82.21 %	81.82 %

* 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.

2016	2015
0.001774 %	0.001893 %
87,635	75,091
121,523	123,897
72.11 %	60.61 %
85.19 %	87.61 %

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Schedule of Commission Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
Other Information

		2020	2019	2018	2017
Statutorily required contribution	$	18,032	18,768	16,497	16,500
Contributions in relation to the statutorily required contribution		(18,032)	(18,768)	(16,497)	(16,500)
Contribution deficiency (excess)	$	-	-	-	-
Commission's covered payroll	$	191,102	198,728	184,798	184,850
Contributions as a percentage of covered payroll		9.44%	9.44%	8.93%	8.93%

2016	2015	2014	2013	2012	2011
12,839	10,852	11,064	9,750	11,218	9,411
(12,839)	(10,852)	(11,064)	(9,750)	(11,218)	(9,411)
-	-	-	-	-	-
143,838	121,523	123,897	112,457	139,009	135,471
8.93%	8.93%	8.93%	8.67%	8.07%	6.95%

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Notes to Other Information – Pension Liability
Years Ended June 30, 2020 and 2019

Changes of benefit terms:

There are no significant changes in benefit terms.

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 member accounts 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.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audits of Financial Statements Performed in Accordance with Government Auditing Standards

BOWMAN & MILLER, P.C.

CERTIFIED ♦ PUBLIC ♦ ACCOUNTANTS

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audits of Financial Statements Performed in Accordance with Government Auditing Standards

To the Members of the Tama County
Solid Waste Disposal Commission:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Tama County Solid Waste Disposal Commission as of and for the years ended June 30, 2020 and 2019, and the related Notes to Financial Statements, and have issued our report thereon dated October 6, 2020. Our report expressed an unmodified opinion on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Tama County Solid Waste Disposal Commission'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 preceding paragraph 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses and significant deficiencies may exist that have not been identified.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the Commission's operations for the years ended June 30, 2020 and 2019 are based exclusively on knowledge obtained from procedures performed during our audits of the financial statements of the Commission. Since our audits were 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.

Tama County Solid Waste Disposal Commission's Responses to the Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Tama County Solid Waste Disposal Commission during the course of our audits. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Bowman & Miller, P.C.

Marshalltown, Iowa
October 6, 2020

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings
Years Ended June 30, 2020 and 2019

Findings Related to the Financial Statements:

Internal control deficiencies:

No matters were noted.

Instances of non-compliance:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

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

(2) Travel expense – No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.

(3) Restricted Donor Activity – No transactions were noted between the Commission, Commission officials, Commission employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

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

(5) Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and Chapter 12C of the Code of Iowa and the Commission's investment policy were noted, except as follows:

A resolution naming official depositories has not been adopted by the Commssion as required by Chapter 12C.2 of the Code of Iowa.

Recommendation – The Commission should adopt a depository resolution as required by Chapter 12C.2 of the Code of Iowa.

Response – The Commission will adopt a depository resolution as required by Chapter 12C.2 of the Code of Iowa.

Conclusion – Response accepted.

(6) Solid Waste Tonnage Fees Retained – No instances of non-compliance with the solid waste fees used or retained in accordance with provisions of Chapter 455B.310 of the Code of Iowa were noted.

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION
Schedule of Findings
Years Ended June 30, 2020 and 2019

(6) Financial Assurance – The Commission 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	$ 1,581,400	1,506,000	3,087,400
Less: Balance of funds held in the local dedicated fund at June 30, 2019	(956,738)	(1,394,397)	(2,351,135)
	624,662	111,603	736,265
Divided by the number of years remaining in the pay-in-period	8	8	
Required payment into the local dedicated fund for the year ended June 30, 2020	78,083	13,950	92,033
Balance of funds held in the local dedicated fund at June 30, 2019	956,738	1,394,397	2,351,135
Balance of funds required to be held in the local dedicated fund at June 30, 2020	$ 1,034,821	1,408,347	2,443,168
Amount Commission has restricted and reserved for closure and postclosure care at June 30, 2020	$ 1,034,821	1,408,347	2,443,168

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 required deposit was made on March 12, 2020.

TAMA COUNTY SOLID WASTE DISPOSAL COMMISSION

Audit Staff

This audit was performed by:

BOWMAN & MILLER, P.C.
Certified Public Accountants
Marshalltown, Iowa

Personnel:

Taylor G. Johnson, CPA, Partner
Camden J. Kickbush, CPA, Staff Auditor