

**Benton County Solid Waste Disposal Commission**  
**Independent Auditor's Reports**  
**Basic Financial Statement**  
**and Other Information**  
**Schedule of Findings**  
**June 30, 2022**



## Table of Contents

	<u>Page</u>
Officials	1
Independent Auditor's Report	2 - 3
Basic Financial Statement:	
Statement of Cash Receipts, Disbursements and Changes in Cash Balance	4
Notes to Financial Statement	5 - 6
	7 - 14
Other Information:	
Schedule of the Commission's Proportionate Share of the Net Pension Liability	15
Schedule of Commission Contributions	16-17
Notes to Other Information - Pension Liability	18-19
	20
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of a Financial Statement Performed in Accordance with <u>Government Auditing Standards</u>	21-22
Schedule of Findings	23
Staff	24

**Benton County Solid Waste Disposal Commission  
Officials**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Loras Schulte	Chairman	City of Norway
Dave Fish	Vice-Chairman	City of Belle Plaine
Jennifer Zahradnik	Treasurer	At Large
Brian McNulty	Secretary	City of Blairstown
Bruce Visser	Commissioner	City of Atkins
Doug Kearns	Commissioner	City of Garrison
David Monson	Commissioner	City of Keystone
Patricia Rausch	Commissioner	City of Mt Auburn
Bruce Cross	Commissioner	City of Newhall
Nancy Thorkildson	Commissioner	City of Shellsburg
Gary Benson	Commissioner	City of Urbana
Jared Vogeler	Commissioner	City of Van Horne
Bill Voss	Commissioner	City of Walford
Nancy Jensen	Commissioner	Township
Denise Schwab	Commissioner	Township
Tracy Seeman	Commissioner	County Supervisor
Terry Hertle	Commissioner	At Large
Amy Boddicker	Commissioner	At Large
John Kaestner	Commissioner	Township
Eric Werner	Manager	

**ROLAND & DIELEMAN**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
808 4th Avenue • P.O. Box 107  
Grinnell, IA 50112

Roger D. Roland  
Edwin L. Dieleman  
Royal R. Roland

Telephone:  
Grinnell - 641-236-6558  
Tama - 641-484-5622  
Sully - 641-594-4286  
FAX - 641-236-7237  
randdcpa@iowatelecom.net

Independent Auditor's Report

To the Officials of the Benton County Solid Waste Disposal Commission

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying financial statement of the Benton County Solid Waste Disposal Commission as of and for the year ended June 30, 2022, and the related Notes to Financial Statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective cash basis financial position of the Benton County Solid Waste Disposal Commission as of June 30, 2022 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

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Benton County Solid Waste Disposal Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion..

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements 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 statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted auditing standards 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 statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- \* Exercise professional judgement and maintain professional skepticism throughout the audit.
- \* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Benton County Solid Waste Disposal Commission's internal control. Accordingly, no such opinion is expressed.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- \* Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Benton County Solid Waste Disposal Commission's ability to continue as a going concern for a reasonable period of time.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of the Commission's Proportionate Share of the Net Pension Liability and the Schedule of Commission Contributions on pages 16 through 17 and 18 through 19 but does not include the basic financial statement and our auditor's report thereon. Our opinion on the basic financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our 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, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 21, 2022, on our consideration of the Benton 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 of 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 the Benton County Solid Waste Disposal Commission's internal control over financial reporting and compliance.

Roland & Dieleman



Grinnell, Iowa

November 21, 2022

**Basic Financial Statement**



**Benton County Solid Waste Disposal Commission  
Statement of Cash Receipts, Disbursements and Changes in Cash Balance  
As of and For the Year Ended June 30, 2022**

<b>Operating Receipts:</b>	
Per capita receipts	\$ 688,265
Gate fees	793,724
Recycling	25,638
Other operating receipts	<u>8,800</u>
<b>Total operating receipts</b>	<b><u>1,516,427</u></b>
<b>Operating Disbursements:</b>	
Salaries and benefits	270,778
Machinery maintenance, labor and parts	74,103
Oil and gas	41,038
Planning and engineering	78,685
Site maintenance	49,933
Site utilities	5,839
Office expenses	12,855
Training and travel	1,071
Legal and accounting	18,275
Insurance	18,184
Recycling	27,110
Assessment fees	30,004
Safety	<u>10,495</u>
<b>Total operating disbursements</b>	<b><u>638,370</u></b>
<b>Excess of operating receipts over operating disbursements</b>	<b>878,057</b>
<b>Non-operating Receipts (Disbursements):</b>	
Interest income	106,109
Capital projects	<u>( 161,150)</u>
<b>Net non-operating receipts (disbursements)</b>	<b><u>( 55,041)</u></b>
<b>Change in Cash Balance</b>	<b>823,016</b>
<b>Cash Balance Beginning of Year</b>	<b><u>6,329,219</u></b>
<b>Cash Balance End of Year</b>	<b><u>\$7,152,235</u></b>

See Notes to Financial Statements

**Benton County Solid Waste Disposal Commission  
Statement of Cash Receipts, Disbursements and Changes in Cash Balance  
As of and for the Year Ended June 30, 2022**

**Cash Basis Fund Balance**

**Restricted for:**

Closure/postclosure care	\$ 2,986,070
Tonnage fees retained.	<u>18,251</u>

Total restricted cash basis fund balance	3,004,321
--	-----------

Unrestricted	<u>4,147,914</u>
--------------	------------------

Total cash basis fund balance	<u>\$ 7,152,235</u>
-------------------------------	---------------------

See Note to Financial Statements

Benton County Solid Waste Disposal Commission  
Notes to Financial Statement  
June 30, 2022

**Note 1 - Summary of Significant Accounting Policies**

The Benton County Solid Waste Disposal Commission (Commission) was created under Iowa Code Chapter 28E (Agreement). The Commission is a voluntary joint undertaking of public entities in or near Benton County, Iowa and is an ongoing legal entity. The purpose of the Commission is to continuously study and implement methods and means to efficiently, economically and lawfully manage solid waste generated by the parties. Benton County is a party to the Agreement. A Memorandum of Understanding was entered into between Benton County, Iowa and the Commission wherein Benton County agreed to transfer to the Commission the ownership of real estate, equipment and machinery, including vehicles, and funds that were being held by the County relative to the current and future operation of the solid waste facility. The transfer was made effective July 1, 2014.

The Commission is composed of one possible representative from each of the fourteen-member cities and seven possible representatives designated by the Benton County Board of Supervisors. The member cities are: Atkins, Belle Plaine, Blirstown, Garrison, Keystone, Luzerne, Mount Auburn, Newhall, Norway, Shellsburg, Urbana, Van Horne, Vinton, and Walford.

**A. Reporting Entity**

For financial reporting purposes, the 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 entity 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 Standard 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 statement of the Commission is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items, including the estimated payables for closure and postclosure care. Accordingly, the financial statement does not present the financial position and results of operations of the Commission in accordance with U.S. generally accepted accounting principles.

### **D. Cash Basis Fund Balances**

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, 2022 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 insure 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. However, the Commission did not hold any investments during the year and has not approved an investment policy.

### **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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://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 exceed 88, whichever come 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 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.

**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 year 2022, 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 year ended June 30, 2022 totaled \$20,045..

**Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension** - At June 30, 2022, the Commission had a liability of \$3,717 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the 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, 2021, the Commission's proportion was 0.0027, which was the same as its proportion measured as of June 30, 2020,

For the year ended June 30, 2022 the Commission's pension expense, deferred outflows of resources and deferred inflows of resources totaled \$20,045, \$24,462, and \$156,709, respectively.

There were no non-employer contributing entities to IPERS.

**Actuarial Assumptions-** The total pension liability in the June 30, 2021 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.
Rate of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rate 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, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core-plus fixed income	26.0	.29
Public credit	4.0	2.08
Cash	1.0	(.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	<u>3.0</u>	2.87
Total	<u>100.0%</u>	

**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 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%)
Commission's proportionate share of the net pension liability	\$ 131,551	3,717	(103,417)

**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](http://www.ipers.org).

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

**Plan Description** - The Commission operates a single-employer benefit plan which provides medical and 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. For the year ended June 30, 2022, the Commission contributed \$20,973 and plan members eligible for benefits contributed \$5,249 to the plan. At June 30, 2022 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 the Commission and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under 65 pay the same premium for the medical prescription drug benefits as active employees, which results in an implicit rate subsidy.

Retired participants must be age 55 or older at retirement. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	<u>2</u>
<b>Total</b>	<u>2</u>

**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 care 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 cost and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that year. Estimated total cost consist of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care,(2) the cost of final 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 \$1,142,060 for closure and \$1,776,000 for postclosure care, for a total of \$2,918,060 as of June 30, 2022. The estimated remaining life of the landfill is 2 1/2 years, with approximately 96%p of the landfill's capacity used at June 30, 2022.

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, 2022, assets of \$2,986,070 are restricted for these purposes. 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 Commission is required to demonstrate financial assurance for the unfunded cost. The Commission has adopted the dedicated fund financial assurance mechanism. Under this mechanism, the Commission must certify the following to the Iowa Department of Natural Resources:

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

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

NP = next payment

CE = total required financial assurance

CB = current balance of the fund

Y = number years remaining in the pay-in period

Chapter 567-113.14(8)of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the Commission is not required to establish closure and postclosure care 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, 2022, Commission had \$18,251 in unspent tonnage fees.

**Note 7 - Risk Management**

The Commission is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. These risks are covered by the purchase of insurance. The Commission assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks did not exceed insurance coverage during the past year.

**Note 8 - Compensated Absences**

Commission employees accumulate a limited amount of earned but unused compensated absences 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 compensated absences at June 30, 2022 was \$18,611. This liability has been computed based on rates of pay in effect at June 30, 2022.

**Other Information**

**Benton County Solid Waste Disposal Commission**  
**Schedule of the Commission's Proportionate Share of the Net Pension Liability**  
**Iowa Public Employee's Retirement System**  
**For the Last Eight Years**  
**Other Information**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commission's Proportion of the Net Pension Liability	.0027%	.0027%	.0022%	.0026%
Commission's Proportionate Share of the Net Pension Liability	\$3,717	\$188,144	\$154,875	\$163,892
Commission's Covered Payroll	\$212,346	\$215,182	\$212,556	\$194,650
Commission's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	1.75%	87.26%	72.86%	84.20%
IPERS Net Position as a Percentage of the Total Pension Liability.	100.81%	82.9%	85.5%	83.62%

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

**Benton County Solid Waste Disposal Commission**  
**Schedule of the Commission's Proportionate Share of the Net Pension Liability**  
**Iowa Public Employee's Retirement System**  
**For the Last Eight Years**  
**Other Information**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commission's Proportion of the Net Pension Liability	.0025%	.0027%	.0024%	.0021%
Commission's Proportionate Share of the Net Pension Liability	\$167,395	\$171,219	\$117,838	\$ 83,616
Commission's Covered Payroll	\$187,578	\$196,501	\$163,404	\$137,962
Commission's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	89.24%	87.13%	72.11%	60.61%
IPERS Net Position as a Percentage of the Total Pension Liability.	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.

Benton County Solid Waste Disposal Commission  
 Schedule of Commission Contributions  
 Iowa Public Employee's Retirement System  
 For the Last Eight Years  
 Other Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily Required Contribution	\$ 20,045	\$20,310	\$20,065	\$19,215
Contributions in Relation to the Statutorily Required Contribution	\$ <u>20,045</u>	\$ <u>20,310</u>	\$ <u>20,065</u>	\$ <u>19,215</u>
Contribution Deficiency (Excess)	\$ <u>—</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>—</u>
Commission's Covered Payroll	\$212,346	\$215,182	\$212,556	\$203,546
Contributions as a Percentage of Covered Payroll	9.44%	9.44%	9.44%	9.44%

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

See accompanying independent auditor's report

Benton County Solid Waste Disposal Commission  
 Schedule of Commission Contributions  
 Iowa Public Employee's Retirement System  
 For the Last Eight Years  
 Other Information

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily Required Contribution	\$ 17,382	\$16,751	\$17,548	\$14,592
Contributions in Relation to the Statutorily Required Contribution	\$ <u>17,382</u>	\$ <u>16,751</u>	\$ <u>17,548</u>	\$ <u>14,592</u>
Contribution Deficiency (Excess)	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>	\$ <u>    --</u>
Commission's Covered Payroll	\$194,650	\$187,578	\$196,501	\$163,404
Contributions as a Percentage of Covered Payroll	8.93%	8.93%	8.93%	8.93%

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

**Benton County Solid Waste Disposal Commission  
Notes to Other Information - Pension Liability  
Year Ended June 30, 2022**

**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.

**ROLAND & DIELEMAN**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
808 4th Avenue • P.O. Box 107  
Grinnell, IA 50112

Roger D. Roland  
Edwin L. Dieleman  
Royal R. Roland

Telephone:  
Grinnell - 641-236-6558  
Tama - 641-484-5622  
Sully - 641-594-4286  
FAX - 641-236-7237  
randdcpa@iowatelecom.net

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

To the Officials of Benton County Solid Waste Disposal Commission:

We 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 statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Benton County Solid Waste Disposal Commission, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 21, 2022. Our report expressed unmodified opinions 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Benton County Solid Waste Disposal Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Benton County Solid Waste Disposal Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Benton 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Commission. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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 Benton County Solid Waste Disposal Commission during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Roland & Dieleman CPA's



Grinnell, Iowa

November 21, 2022

Benton County Solid Waste Disposal Commission  
Schedule of Findings  
Year Ended June 30, 2022

**Findings Related to the Financial Statement:**

None

**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 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 Chapter 12B and Chapter 12C of the Code of Iowa were noted.
- (6) **Solid Waste Tonnage Fees Retained** - No instances of non-compliance with solid waste fees used or retained in accordance with provisions of Chapter 455B.310 the Code of Iowa were noted.
- (7) **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.

**Benton County Solid Waste Disposal Commission  
Staff**

**This audit was performed by:**

**Royal Roland, CPA**

**Ed Dieleman, CPA**

