OFFICE OF AUDITOR OF STATE

STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

NEWS RELEASE

Contact: Ernest Ruben
515/281-5834

FOR RELEASE September 20, 2023

Auditor of State Rob Sand today released an audit report on the Clinton County Area Solid Waste Agency.

FINANCIAL HIGHLIGHTS:

The Agency's revenues totaled $2,649,673 for the year ended June 30, 2022, a less than 1% increase over the prior year. Expenses for the year ended June 30, 2022 totaled $2,379,995, a 2.3% increase over the prior year.

AUDIT FINDINGS:

Sand reported three findings related to the receipt and expenditure of taxpayer funds. They are found on pages 48 through 51 of this report. The findings address a lack of segregation of duties, material amounts of payables not properly recorded in the Agency's financial statements and investments which do not comply with the Code of Iowa. Sand provided the Agency with recommendations to address each of the findings.

Two of the three findings discussed above are repeated from the prior year. The Agency has a fiduciary responsibility to provide oversight of the Agency's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's website at Audit Reports – Auditor of State.

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CLINTON COUNTY AREA SOLID WASTE AGENCY

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2022

Clinton County Area Solid Waste Agency

OFFICE OF AUDITOR OF STATE
STATE OF IOWA

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 281-6518

September 5, 2023

Officials of the Clinton County Area Solid Waste Agency
Clinton, Iowa

Dear Agency Members:

I am pleased to submit to you the financial and compliance audit report for the Clinton County Area Solid Waste Agency for the year ended June 30, 2022. The audit was performed pursuant to Chapter 11.6 of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the Clinton County Area Solid Waste Agency throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

Rob Sand
Auditor of State

Table of Contents

Clinton County Area Solid Waste Agency

Officials

Name	Title	Representing
Paul Varner	Chairperson	City of Camanche
Brandi Pray	Vice-Chairperson	City of Low Moor
Tom Determann	Secretary-Treasurer	Clinton County
Kari White	Member	City of Andover
Tyler Leibold	Member	City of Calamus
Ray Snyder	Member	City of Charlotte
Bill Schemers	Member	City of Clinton
Doug Goodall	Member	City of Delmar
Garey Chrones	Member	City of DeWitt
Mike Mattis	Member	City of Goose Lake
Nick Lange	Member	City of Grand Mound
Ramon Gilroy	Member	City of Lost Nation
Elba Scheper	Member	City of Toronto
Dan Vosatka	Member	City of Welton
Jessica Heileman	Member	City of Wheatland
Bradley Seward	Director of Operations and Education	
Cindy Howard	Office Manager	

Clinton County Area Solid Waste Agency

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Rob Sand
Auditor of State

Independent Auditor's Report

To the Members of the Clinton County Area Solid Waste Agency:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Clinton County Area Solid Waste Agency as of and for the year ended June 30, 2022 and the related Notes to Financial Statements, which collectively comprise the Clinton County Area Solid Waste Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the Clinton County Area Solid Waste Agency as of June 30, 2022, and the changes in its financial position, and, where applicable, cash flows thereof for the year ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 Clinton County Area Solid Waste Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clinton County Area Solid Waste Agency'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 GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Clinton County Area Solid Waste Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clinton County Area Solid Waste Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the Agency's Proportionate Share of the Net Pension Liability, the Schedule of Agency Contributions and the Schedule of Changes in the Agency's Total OPEB Liability, Related Ratios and Notes on pages 8 through 11 and 34 through 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 5, 2023 on our consideration of the Clinton County Area Solid Waste Agency'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 Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Clinton County Area Solid Waste Agency's internal control over financial reporting and compliance.

Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

September 5, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Clinton County Area Solid Waste Agency provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the year ended June 30, 2022. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The Agency's operating revenues increased 5.3%, or $136,049, from fiscal year 2021 to fiscal year 2022. The increase is primarily due to an increase in single-stream recycling and automotive shredder residue collections in fiscal year 2022.

- The Agency's operating expenses were 2.3%, or $53,279, higher in fiscal year 2022 than in fiscal year 2021.

- The Agency's net position increased 2.0%, or $269,678, from June 30, 2021 to June 30, 2022.

USING THIS ANNUAL REPORT

The Clinton County Area Solid Waste Agency is a 28E organization and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis is intended to serve as an introduction to the Clinton County Area Solid Waste Agency's basic financial statements. The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.

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

The Statement of Revenues, Expenses and Changes in Net Position is the basic statement of activities for proprietary funds. This statement presents information on the Agency's operating revenues and expenses, non-operating revenues and expenses and whether the Agency's financial position has improved or deteriorated as a result of the year's activities.

The Statement of Cash Flows presents the change in the Agency's cash and cash equivalents during the year. This information can assist readers of the report in determining how the Agency financed its activities and how it met its cash requirements.

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

Required Supplementary Information further explains and supports the financial statements with the Agency's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the Agency's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about revenues and expenses.

FINANCIAL ANALYSIS OF THE AGENCY

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Agency's financial position. The Agency's net position at the end of fiscal year 2022 totaled approximately $13,446,000. This compares to approximately $13,176,000 at the end of fiscal year 2021. A summary of the Agency's net position is presented below.

Net Position		
	June 30,	
	2022	2021
Current assets	$ 4,662,383	4,276,765
Restricted cash and cash equivalents	4,462,628	4,203,126
Capital assets at cost, less accumulated depreciation	5,946,025	6,168,156
Total assets	15,071,036	14,648,047
Deferred outflows of resources	68,095	96,372
Current liabilities	139,957	20,521
Noncurrent liabilities	1,309,094	1,497,319
Total liabilities	1,449,051	1,517,840
Deferred inflows of resources	244,522	47,699
Net position:		
Net investment in capital assets	5,946,025	6,168,156
Restricted for:		
Tonnage fees retained	975,565	948,221
Closure and postclosure costs	3,203,044	3,032,903
Unrestricted	3,320,924	3,026,600
Total net position	$ 13,445,558	13,175,880

The unrestricted portion of the Agency's net position (25%) may be used to meet the Agency's obligations as they come due. The invested in capital assets (e.g., land, buildings, equipment and intangibles), less the related debt portion of net position (44%) are resources allocated to capital assets. The remaining net position (31%) is restricted for closure and postclosure care and for tonnage fees due to the State of Iowa. State and federal laws and regulations require the Agency to place a final cover on the landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure.

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues are received for charges for service from accepting solid waste and assessments from the residents of the Cities and the County. Operating expenses are expenses paid to operate the landfill. Non-operating revenues are for investment earnings and rental income. The utilization of capital assets is reflected in the financial statements as depreciation/amortization, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net position for the years ended June 30, 2022 and 2021 is presented below.

Changes in Net Position		
	Year ended June 30,	
	2022	2021
Operating revenues:		
Charges for service	$ 1,626,418	1,606,175
County and city assessments	225,000	225,000
Contracted waste	493,197	471,988
Other operating revenues	334,669	240,072
Total operating revenues	2,679,284	2,543,235
Operating expenses:		
Landfill	1,976,363	1,891,273
Recycling	319,795	382,109
Regional Collection Center	83,837	53,334
Total operating expenses	2,379,995	2,326,716
Operating income	299,289	216,519
Non-operating revenues (expenses):		
Unrestricted investment earnings	(51,319)	70,504
Rental income	21,708	22,206
Net non-operating expenses	(29,611)	92,710
Change in net position	269,678	309,229
Net position beginning of year	13,175,880	12,866,651
Net position end of year	$ 13,445,558	13,175,880

The Statement of Revenues, Expenses and Changes in Net Position reflects a positive year with an increase in net position at the end of the fiscal year.

In fiscal year 2022, operating revenues increased $136,049, or 5.3%, primarily a result of an increase in single-stream recycling and automotive shredder residue collections. Operating expenses increased $53,279, or 2.3%. The increase is primarily due to increased contracted compacting and covering charges and refuse processing costs.

Statement of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related financing and investing activities. Cash provided by operating activities includes cash received from customers, assessments and other operating receipts reduced by payments to employees and to suppliers. Cash used by capital and related financing activities includes rental income and the purchase of capital assets. Cash used by investing activities includes finance charges, interest income and purchases and redemptions of investments.

CAPITAL ASSETS

At June 30, 2022, the Agency had approximately $5,946,000 invested in capital assets, net of accumulated depreciation/amortization of approximately $5,015,000. Depreciation/amortization expense totaled $302,617 for fiscal year 2022. More detailed information about the Agency's capital assets is presented in Note 3 to the financial statements.

LONG-TERM DEBT

Information about the Agency's long-term debt is presented in Note 4 to the financial statements.

ECONOMIC FACTORS

The Clinton County Area Solid Waste Agency continued to improve its financial position during the current fiscal year. However, the current condition of the economy in the State continues to be a concern for Agency officials. Some of the realities which may potentially become challenges for the Agency to meet are:

- Work must continue to maintain landfill areas closed in the past. This includes addressing any issues found in assessment of corrective measures plans and the drilling of wells into bedrock for groundwater monitoring.

- The Agency is facing a change in the recycling program. The Agency has decided to convert to single stream recycling. Recyclable materials are now being transferred to Scott County instead of processing those items on site. The City of Clinton, previously the Agency's largest recycling client, now brings its recyclable materials to the Agency now that the single stream conversion is finished.

- Facilities and equipment at the Agency require constant maintenance and upkeep.

- Technology continues to expand, and current technology becomes outdated presenting an ongoing challenge to maintain up to date technology at a reasonable cost.

- Annual deposits required to be made to closure and postclosure care accounts are based on constantly changing cost estimates and the number of tons of solid waste received at the facility.

- Some of the solid waste programs that are required for the Agency to handle have been implemented with a user fee to help support them. This will continue to happen to keep the programs alive and to keep them available for residents.

The Agency anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the Agency's ability to react to unknown issues.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Clinton County Area Solid Waste Agency, PO Box 996, Clinton, Iowa 52732.

Clinton County Area Solid Waste Agency

Basic Financial Statements

Clinton County Area Solid Waste Agency

Statement of Net Position

June 30, 2022

Assets	
Current assets:	
Cash and cash equivalents	$ 1,395,156
Restricted cash and cash equivalents	975,565
Investments	2,082,508
Accounts receivable	174,005
Prepaid expenses	35,149
Total current assets	4,662,383
Noncurrent assets:	
Restricted cash and cash equivalents	4,462,628
Capital assets, net of accumulated depreciation/amortization	5,946,025
Total noncurrent assets	10,408,653
Total assets	15,071,036
Deferred Outflows of Resources	
Pension related deferred outflows	39,414
OPEB related deferred outflows	28,681
Total deferred outflows of resources	68,095
Liabilities	
Current liabilities:	
Accounts payable	139,181
Accrued other withholdings	776
Total current liabilities	139,957
Noncurrent liabilities:	
Landfill closure and postclosure care	1,259,585
Total OPEB liability	44,181
Net pension liability	5,328
Total noncurrent liabilities	1,309,094
Total liabilities	1,449,051
Deferred Inflows of Resources	
Pension related deferred inflows	220,832
OPEB related deferred inflows	23,690
Total deferred inflows of resources	244,522
Net Position	
Net investment in capital assets	5,946,025
Restricted for:	
Tonnage fees retained	975,565
Closure and postclosure care	3,203,044
Unrestricted	3,320,924
Total net position	$ 13,445,558

See notes to financial statements.

Clinton County Area Solid Waste Agency

Statement of Revenues, Expenses and
Changes in Net Position

Year ended June 30, 2022

Operating revenues:	
Landfill	
Charges for service	$ 1,626,418
Tire handling fee	40,738
Permit fees	6,795
County and city assessments	225,000
Contracted waste	493,197
Salvage	20,760
Miscellaneous	131,040
Total landfill	2,543,948
Regional Collection Center (RCC)	
Member's expense reimbursement	14,538
Conditionally Exempt Small Quantity Generator	8,033
Customer	22,174
Grant	6,673
Single-stream recycling	54,405
Miscellaneous	29,513
Total RCC	135,336
Total operating revenues	2,679,284
Operating expenses:	
Landfill	1,976,363
Recycling	319,795
Regional Collection Center	83,837
Total operating expenses	2,379,995
Operating income	299,289
Non-operating revenues (expenses):	
Unrestricted investment earnings	(51,319)
Rental income	21,708
Net non-operating revenue (expenses)	(29,611)
Change in net position	269,678
Net position beginning of year	13,175,880
Net position end of year	$ 13,445,558

See notes to financial statements.

Clinton County Area Solid Waste Agency

Clinton County Area Solid Waste Agency

Statement of Cash Flows

Year ended June 30, 2022

Cash flows from operating activities:	
Cash received from customers	$ 2,359,943
Cash received from assessments	225,000
Cash received from other operating receipts	137,713
Cash paid to suppliers for goods and services	(1,561,723)
Cash paid to employees for services	(380,486)
Net cash provided by operating activities	780,447
Cash flows from capital and related financing activities:	
Rental income	21,708
Purchase of capital assets	(80,486)
Net cash used by capital and related financing activities	(58,778)
Cash flows from investing activities:	
Unrestricted investment earnings	76,282
Investment purchases	(47,683)
Investment redemptions	4,213,153
Net cash provided by investing activities	4,241,752
Net increase in cash and cash equivalents	4,963,421
Cash and cash equivalents beginning of year	1,869,928
Cash and cash equivalents end of year	$ 6,833,349
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 299,289
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	302,617
Closure and postclosure care	89,362
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Accounts receivable	43,372
Prepaid expenses	(21,142)
Accounts payable	139,181
Deferred outflows of resources	28,277
Accrued other withholdings	(19,745)
Total OPEB liability	(6,001)
Net pension liability	(271,586)
Deferred inflows of resources	196,823
Total adjustments	481,158
Net cash provided by operating activities	$ 780,447
Non-cash unrealized loss on investments	$ (127,601)

See notes to financial statements.

(1) Summary of Significant Accounting Policies

The Clinton County Area Solid Waste Agency was formed in 1972 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Agency is to operate the sanitary landfill in Clinton County for use by all residents of the County. Services are also provided for Jackson and Cedar Counties, Iowa.

The Agency is composed of one representative from each of the fourteen member cities and one representative from Clinton County. The member cities are Andover, Calamus, Camanche, Charlotte, Clinton, Delmar, DeWitt, Goose Lake, Grand Mound, Lost Nation, Low Moor, Toronto, Welton, and Wheatland. Each member is entitled to one vote.

The Agency's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

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

B. Basis of Presentation

The accounts of the Agency 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.

The Statement of Net Position presents the Clinton County Area Solid Waste Agency's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

C. Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Agency's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

The following accounting policies are followed in preparing the Statement of Net Position:

Cash, Cash Equivalents and Investments – The Agency considers all short-term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Capital Assets – Capital assets are accounted for at historical cost. Depreciation/amortization of all exhaustible capital assets is charged as an expense against operations. The cost of repair and maintenance is charged to expense while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation/amortization of assets disposed of are deleted, with any gain or loss recorded in current operations.

Reportable capital assets are defined by the Agency as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Buildings and improvements	$ 25,000
Intangibles	5,000
Equipment and vehicles	5,000
Right-to-use leased assets	5,000

Capital assets of the Agency are depreciated/amortized using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	25 - 50
Land improvements	10 - 50
Intangibles	3 - 20
Right-to-use leased assets	3 - 20
Equipment	3 - 20
Vehicles	5 - 15

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Agency after the measurement date but before the end of the Agency's reporting period.

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

Total OPEB Liability – The Agency participates in the Clinton County postretirement medical plan (OPEB). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on Clinton County's actuary report. The Agency's portion of the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense were calculated using the ratio of full-time equivalent employees of the Agency compared to full-time equivalent employees of Clinton County. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consist of the unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan assets, and OPEB expense.

(2) Cash, Cash Equivalents and Investments

The Agency'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 depositories to ensure there will be no loss of public funds.

The Agency 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 Agency; 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.

The Agency's investments at June 30, 2022 were as follows:

Investments	Fair Value
U.S. Government agency bonds	$ 439,950
Market certificates of deposit	251,027
Mutual funds-fixed income	1,032,653
U.S. Government notes and bonds	320,757
Money market accounts	38,121
Total investments	$ 2,082,508

The Agency 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 investments were determined using the last reported sales price at current exchange rates. (Level 1 inputs)

Interest rate risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Agency limits the operating funds portfolio to maturities of less than 397 days.

The Agency's investments in out of state market certificates of deposit do not comply with Chapter 12B.10 of the Code of Iowa.

(3) Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets not being depreciated/amortized:				
Land and improvements	$ 836,089	-	-	836,089
Total capital assets not being depreciated/amortized	836,089	-	-	836,089
Capital assets being depreciated/amortized:				
Intangibles	26,439	-	-	26,439
Development costs	7,325,565	7,487	-	7,333,052
Buildings	1,820,529	-	-	1,820,529
Equipment and vehicles	871,552	72,999	-	944,551
Total capital assets being depreciated/amortized	10,044,085	80,486	-	10,124,571
Less accumulated depreciation/amortization for:				
Intangibles	26,439	-	-	26,439
Development costs	2,461,099	240,000	-	2,701,099
Buildings	1,762,947	8,594	-	1,771,541
Equipment and vehicles	461,533	54,023	-	515,556
Total accumulated depreciation/amortization	4,712,018	302,617	-	5,014,635
Total capital assets being depreciated/amortized, net	5,332,067	(222,131)	-	5,109,936
Total capital assets, net	$ 6,168,156	(222,131)	-	5,946,025

(4) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Total OPEB Liability	Net Pension Liability	Landfill Closure and Postclosure Care Costs	Total
Balance beginning of year	$ 50,182	276,914	1,170,223	1,497,319
Increases	-	-	89,362	89,362
Decreases	6,001	271,586	-	277,587
Balance end of year	$ 44,181	5,328	1,259,585	1,309,094

(5) Pension Plan

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

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 the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

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

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Agency contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Agency's contributions to IPERS for the year ended June 30, 2022 totaled $28,858.

Net Pension Liability (Asset), Pension Expense (Reduction), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the Agency reported a liability of $5,328 for its proportionate share of the overall plan net pension asset. The overall plan net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the overall plan net pension asset was determined by an actuarial valuation as of that date. The Agency's proportion of the overall plan net pension asset was based on the Agency's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2021, the Agency's proportion was (0.001543)% which was a decrease of 0.005485% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Agency recognized pension expense (reduction) of $(24,375). At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,054	4,070
Changes of assumptions	3,485	-
Net difference between projected and actual earnings on IPERS investments	-	193,047
Changes in proportion and differences between Agency contributions and the Agency's proportionate share of contributions	3,017	23,715
Agency contributions subsequent to the measurement date	28,858	-
Total	$ 39,414	220,832

$28,858 reported as deferred outflows of resources related to pensions resulting from Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	$ (52,444)
2024	(52,030)
2025	(49,119)
2026	(56,284)
2027	(399)
Total	$ (210,276)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability (asset) 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.
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, 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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(0.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	3.0	2.87
Total	100.0%	

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 Agency will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments 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 Agency's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the Agency's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the Agency's proportionate share of the net pension liability (asset) 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%)
Agency's proportionate share of the net pension liability (asset)	$ 188,580	5,328	(148,249)

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.

Payables to IPERS – All legally required Agency contributions and legally required employee contributions which had been withheld from employee wages were remitted by the Agency to IPERS by June 30, 2022.

(6) Other Postemployment Benefits (OPEB)

Plan Description – The Agency participates in the Clinton County postretirement medical plan (OPEB). Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Details of the OPEB plan are available in Clinton County's audit report for the year ended June 30, 2022. The report may be obtained by writing to the Clinton County Auditor's Office, 1900 North 3rd Street, Clinton, Iowa 52733-2957.

OPEB Benefits – Individuals who are employed by the Clinton County Area Solid Waste Agency 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, prescription drug and dental benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

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	6
Total	6

Total OPEB Liability – The Agency's total OPEB liability of $44,181 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date and represents the Agency's portion of Clinton County's total OPEB liability. The Agency's portion of the total OPEB liability was calculated using the ratio of full-time equivalent employees of the Agency compared to full-time equivalent employees of Clinton County.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurements.

Rate of inflation (effective June 30, 2022)	2.60% per annum.
Rate of salary increase (effective June 30, 2022)	3.25% per annum, including inflation.
Discount Rate (effective June 30, 2022)	4.09% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	7.50% initial rate decreasing by .5% annually to an ultimate rate of 4.50%.

Discount Rate – The discount rate used to measure the total liability was 4.09% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB liability

		Total OPEB Liability
Total OPEB liability beginning of year	$	50,182
Changes for the year:		
Service cost		3,194
Interest		1,125
Differences between expected and actual experiences		(473)
Changes in assumptions		(5,825)
Benefit payments		(4,022)
Net changes		(6,001)
Total OPEB liability end of year	$	44,181

Changes of assumptions reflect a change in the discount rate from 2.19% in fiscal year 2021 to 4.09% in fiscal year 2022.

Sensitivity of the Agency's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.09%) or 1% higher (5.09%) than the current discount rate.

	1% Decrease (3.09%)	Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	$ 47,196	44,181	41,305

Sensitivity of the Agency's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current healthcare cost trend rate.

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB liability	$ 39,405	44,181	49,831

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the Agency recognized OPEB expense of $4,768. At June 30, 2022 the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	$	28,681	3,330
Changes in assumptions		-	20,360
Total	$	28,681	23,690

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

Year Ending June 30,	Amount
2023	$ 449
2024	449
2025	449
2026	449
2027	449
Thereafter	2,746
Total	$ 4,991

(7) Closure and Postclosure Care

To comply with federal and state regulations, the Agency is required to complete a monitoring system plan and a closure/postclosure care plan and to provide funding necessary to effect closure and postclosure care, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year postclosure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA 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 that when a landfill stops accepting waste, it must be covered with a minimum of twenty-four inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total cost consists 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 for changes due to inflation or deflation, technology, or applicable laws or regulations.

These costs for the Agency have been estimated at $281,114 for postclosure care for Cell A. Cell B, which consists of the Phase 2 Cell and Other Cells, has estimated costs of $3,549,962 for closure and $1,786,292 for postclosure care, for a total of $5,336,254. Total estimated costs for Cell A and Cell B are $5,617,368 as of June 30, 2022, and the portion of the liability that has been recognized is $1,259,585. These amounts are based on what it would cost to perform all closure and postclosure care during the year ended June 30, 2022. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The estimated life remaining of Cell B is 53 years. The capacity used at June 30, 2022 in Cell A is 100% and Cell B is 18.3%.

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 Agency has begun accumulating resources to fund these costs and, at June 30, 2022, assets of $4,462,628 are restricted for these purposes. They are reported as restricted cash and cash equivalents in the Statement of Net Position.

Also, pursuant to Chapter 567-113.14(8) of the Iowa Administrative Code (IAC), since the estimated closure and postclosure care costs are not fully funded, the Agency is required to demonstrate financial assurance for the unfunded costs. The Agency has adopted the dedicated fund financial assurance mechanism. Under this mechanism, the Agency 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 the Agency 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 Agency 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.

(8) Solid Waste Tonnage Fees Retained

The Agency has established an account for restricting and using solid waste tonnage fees retained by the Agency in accordance with Chapter 455B.310 of the Code of Iowa.

At June 30, 2022, the unspent amounts retained by the Agency and restricted for the required purposes totaled $975,565.

(9) Contracts

As of June 30, 2022, the Agency entered into the following contracts:

Project	Total Contract	Remaining Balance
Landfill operations and maintenance (Contracted compacting and landfill covering)	$ 1,080,000	$ 720,000

(10) Risk Management

The Agency is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 794 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, employment practices liability, and public officials liability. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained at a level determined by the Board not to exceed 300% of basis rate.

The Pool also provides property coverage. Members who elect such coverage make annual property operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses, reinsurance premiums, losses and loss expenses for property risks estimated for the fiscal year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Agency's property and casualty contributions to the Pool are recorded as disbursements from its operating funds at the time of payment to the Pool. The Agency's contributions to the Pool for the year ended June 30, 2022 were $26,537.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, and public officials' liability risks up to $500,000 per claim. Claims exceeding $500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Agency's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to $250,000 each occurrence, each location. Property risks exceeding $250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Agency's risk-sharing certificate.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim, property loss or series of claims or losses exceeds the amount of risk-sharing protection provided by the Agency's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The Agency does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2022, no liability has been recorded in the Agency's financial statements. As of June 30, 2022, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Upon withdrawal, a formula set forth in the Pool's intergovernmental contract with its members is applied to determine the amount (if any) to be refunded to the withdrawing member.

The Agency also carries commercial insurance purchased from other insurers for coverage associated with workers compensation in the amount of $1,000,000. The Agency 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.

(11) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting of the right to use another party's information technology software alone or in combination with tangible capital assets that are not currently reported.

Clinton County Area Solid Waste Agency

Required Supplementary Information

Clinton County Area Solid Waste Agency

Schedule of the Agency's Proportionate Share of the Net Pension Liability (Asset)

Iowa Public Employees' Retirement System
For the Last Eight Years*

Required Supplementary Information

		2022	2021	2020	2019
Agency's proportion of the net pension liability (asset)		-0.001543% **	0.003942%	0.004367%	0.004221%
Agency's proportionate share of the net pension liability (asset)	$	5,328	276,914	252,885	267,101
Agency's covered payroll	$	308,466	312,844	332,354	317,234
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		1.73%	88.52%	76.09%	84.20%
IPERS' net position as a percentage of the total pension liability		100.81%	82.90%	85.45%	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 year.

** Overall plan net pension asset.

See accompanying independent auditor's report.

2018	2017	2016	2015
0.004197%	0.004388%	0.004103%	0.003695%
279,566	276,175	202,714	146,526
313,281	315,028	278,813	241,758
89.24%	87.67%	72.71%	60.61%
82.21%	81.82%	85.19%	87.61%

Clinton County Area Solid Waste Agency

Schedule of Agency Contributions

Iowa Public Employees' Retirement System
For the Last Ten Years

Required Supplementary Information

	2022	2021	2020	2019
Statutorily required contribution	$ 28,858	29,119	29,532	31,374
Contributions in relation to the statutorily required contribution	(28,858)	(29,119)	(29,532)	(31,374)
Contribution deficiency (excess)	$ -	-	-	-
Agency's covered payroll	$ 305,701	308,466	312,844	332,354
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See accompanying independent auditor's report.

2018	2017	2016	2015	2014	2013
28,329	27,976	28,132	24,898	21,589	20,528
(28,329)	(27,976)	(28,132)	(24,898)	(21,589)	(20,528)
-	-	-	-	-	-
317,234	313,281	315,028	278,813	241,758	236,770
8.93%	8.93%	8.93%	8.93%	8.93%	8.67%

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.

Clinton County Area Solid Waste Agency

Schedule of Changes in the Agency's
Total OPEB Liability, Related Ratios and Notes

For the Last Five Years
Required Supplementary Information

	2022	2021	2020	2019	2018
Service cost	$ 3,194	4,585	2,422	3,087	3,088
Interest cost	1,125	751	785	1,407	1,327
Difference between expected and actual experiences	(473)	30,468	(1,054)	(2,057)	(2,044)
Changes in assumptions	(5,825)	(8,921)	(14,333)	-	-
Benefit payments	(4,022)	(1,080)	(556)	(160)	(249)
Net change in total OPEB liability	(6,001)	25,803	(12,736)	2,277	2,122
Total OPEB liability beginning of year	50,182	24,379	37,115	34,838	32,716
Total OPEB liability end of year	$ 44,181	50,182	24,379	37,115	34,838
Covered-employee payroll	$ 309,777	310,530	311,352	335,136	321,249
Total OPEB liability as a percentage of covered-employee payroll	14.3%	16.2%	7.8%	11.1%	10.8%

See accompanying independent auditor's report.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	3.15%
Year ended June 30, 2019	3.72%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	2.50%

Clinton County Area Solid Waste Agency

Supplementary Information

Clinton County Area Solid Waste Agency

Clinton County Area Solid Waste Agency

Schedule of Charges for Service

Year ended June 30, 2022

Refuse - $44.00 per ton from July 1, 1994 through June 30, 2022	$ 1,572,323
Asbestos - $25.00 per cu. Yd. from February 1, 1992 through June 30, 2022	2,525
Sludge - $44.00 per ton through June 30, 2022	51,570
Total charges for service	$ 1,626,418

See accompanying independent auditor's report.

Clinton County Area Solid Waste Agency

Schedule of Operating Expenses

Year ended June 30, 2022

Operating Expenses	
Landfill	
Insurance	$ 78,935
Professional fees	118,895
Equipment repairs	32,874
Agency vehicle	12,076
Advertising	12,321
Education expense	135
Payroll	250,628
Employee education	566
Clothing allowance	1,496
Payroll tax	18,444
IPERS tax expense	28,858
Pension expense (reduction)	(53,233)
Contracted compacting and covering charges	494,089
Tire expense	62,120
Utilities	8,382
Telephone	4,095
Office expense	23,960
Postage	910
Mileage	1,966
Maintenance	143,652
Testing expenses	11,904
Ground water tax	111,722
Refuse processing	197,779
System maintenance	16,464
Closure and postclosure care	89,362
Supplies	8,134
Office supplies	4,285
Dues	5,236
Travel expense	18
Bank charges	7,111
Employee safety	1,795
Miscellaneous expense	6,117
Depreciation/amortization	274,469
Equipment lease	798
Total landfill	1,976,363

Clinton County Area Solid Waste Agency

Schedule of Operating Expenses

Year ended June 30, 2022

Recycling	
Brown goods disposal	$ 35,299
Insurance	38,052
Payroll	59,149
Equipment repairs	6,617
Building repairs	260
Reimbursements	50
Clothing allowance	500
Payroll tax	4,408
Machine repairs	1,903
Miscellaneous	16,514
Utilities	7,826
Recycling purchases	433
Maintenance	10,696
Supplies	24,828
Dues	60
Depreciation/amortization	25,396
Recycling	87,804
Total recycling	319,795
Regional Collection Center (RCC)	
Building repairs	260
Supplies	1,419
RCC disposal	76,444
Miscellaneous	2,450
Education expense	229
Travel	283
Depreciation/amortization	2,752
Total Regional Collection Center	83,837
Total operating expenses	$ 2,379,995

See accompanying independent auditor's report.

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

To the Members of the Clinton County Area Solid Waste Agency:

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 Clinton County Area Solid Waste Agency, Iowa, as of and for the year ended June 30, 2022, and the related Notes to Financial Statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated September 5, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clinton County Area Solid Waste Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clinton County Area Solid Waste Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Clinton County Area Solid Waste Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Clinton County Area Solid Waste Agency's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Clinton County Area Solid Waste Agency's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Clinton County Area Solid Waste Agency's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 Agency'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 Agency'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 Clinton County Area Solid Waste Agency 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.

Ernest H. Ruben, Jr., CPA
Deputy Auditor of State

September 5, 2023

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2022-001 Segregation of Duties

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

Condition – Generally, one or two individuals have control over the following areas for the Agency:

(1) Cash – initiating cash receipt and disbursement transactions, handling and recording cash and reconciling bank accounts.

(2) Receipts – opening mail, collecting, depositing, posting, reconciling and maintaining accounts receivable records.

(3) Capital assets – purchasing, recording, reconciling, and custody.

(4) Disbursements – preparing, recording, reconciling, and approving.

Cause – The Agency has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

Recommendation – The Agency should review its control activities to obtain the maximum internal control possible under the circumstances utilizing currently available staff or Agency Board members to provide additional control through review of financial transactions, reconciliations and reports. These reviews should be documented by the signature or initials of the reviewer and the date of the review.

Response – The Agency recognizes hiring additional staff to maximize segregation of duties would not be cost effective. The Agency is aware of the condition and implemented several processes for a Board Member to provide additional control through the review of financial transactions, reconciliations and reports.

Conclusion – Response accepted.

2022-002 Financial Reporting

Criteria – A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the Agency's financial statements.

Condition – Material amounts of payables were not properly recorded in the Agency's financial statements. Adjustments were subsequently made by the Agency to properly include these amounts in the financial statements.

Cause – Agency policies do not require, and procedures have not been established to require independent review of year end cut-off transactions to ensure the Agency's financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in Agency employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the Agency's financial statements were necessary.

Recommendation – The Agency should establish procedures to ensure all payables are identified and properly reported in the Agency's financial statements.

Response – The Agency has worked with our software provider on additional processes that will properly record payables on the Agency's financial statements for future audit years.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

2022-A Questionable Expenses – No expenses we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

2022-B Travel Expense – No expenses of money for travel expenses of spouses of Agency officials or employees were noted.

2022-C Restricted Donor Activity – No transactions were noted between the Agency, Agency officials, Agency employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

2022-D Board Minutes – No transactions were found that we believe should have been approved in the Agency minutes but were not.

2022-E 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, except as follows:

- The Agency's investments in out of state market certificates of deposit do not comply with Chapter 12B.10 of the Code of Iowa.

- A resolution naming official depositories has been approved by the Agency. However, the maximum deposit amounts stated in the resolution were exceeded.

Recommendation – The Agency should ensure all investments comply with Chapter 12B.10 of the Code of Iowa. In addition, the Agency should adopt a new resolution to ensure the maximums set by the depository resolution are not exceeded.

Response – The Agency updated the depository resolution on 2-15-23. The Agency will update as needed.

Conclusion – Response acknowledged. The Agency should ensure all investments comply with Chapter 12B.10 of the Code of Iowa.

2022-F 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.

2022-G Financial Assurance – The Agency has demonstrated 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. The calculation is made as follows:

	Cell A	Cell B Phase 2 Cell	Cell B Other Cells	Total
Total estimated costs for closure and postclosure care	$ 281,114	871,264	4,464,990	5,617,368
Less: Balance of funds held in the local dedicated fund at June 30, 2021	(304,387)	(83,133)	(3,815,606)	(4,203,126)
Fiscal year 2022 dedicated fund interest earnings	-	-	(3,473)	(3,473)
Less Fiscal year 2021 required payment made in fiscal year 2022	3,312	(82,313)	(73,360)	(152,361)
	(19,961)	705,818	572,551	1,258,408
Divided by the number of years remaining in the pay-in period	6	9	6	-
Required payment into the local dedicated fund for the year ended June 30, 2022	(3,327)	78,424	95,425	170,523
Balance of funds held in the local dedicated fund at June 30, 2021	304,387	83,133	3,815,606	4,203,126
Fiscal year 2022 dedicated fund interest earnings	-	-	3,473	3,473
Fiscal year 2021 required payment made in fiscal year 2022	(3,312)	82,313	73,360	152,361
Required balance of funds to be held in the local dedicated fund at June 30, 2022	$ 297,748	243,870	3,987,864	4,529,483
Amount Agency has restricted for closure and postclosure care at June 30, 2022	$ 301,075	240,271	3,921,282	4,462,628

In July 2022, the Agency made the required deposit to demonstrate financial assurance for closure and postclosure care.

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Deputy
Jennifer L. Wall, CPA, Manager
Taylor A. Hepp, Staff Auditor
Jared A. Marshall, Assistant Auditor