



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

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Auditor of State

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Des Moines, Iowa 50319-0006  
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**NEWS RELEASE**

Contact: Brian Brustkern  
515/281-5834

FOR RELEASE

February 6, 2025

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

**FINANCIAL HIGHLIGHTS:**

The Commission had total receipts of \$1,146,118 for the year ended June 30, 2024, a 15.0% increase. Disbursements for the year ended June 30, 2024 totaled \$1,035,105, a 1.5% increase. The significant increase in receipts is due primarily to increases in interest on investments and tonnage fees collected.

**AUDIT FINDINGS:**

Sand reported one finding related to the receipt and disbursement of taxpayer funds. It is found on page 28 of this report. The finding addresses the lack of segregation of duties over cash, receipts, investments and the bank reconciliation and a lack of independent review. Sand provided the Commission with a recommendation to address this finding.

The finding discussed above is repeated from the prior year. The Crawford County Area Solid Waste Agency Commission has a fiduciary responsibility to provide oversight of the Commission'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](#).

###

**CRAWFORD COUNTY AREA SOLID WASTE AGENCY COMMISSION**

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENT  
AND OTHER INFORMATION  
SCHEDULE OF FINDINGS**

**JUNE 30, 2024**

**Crawford County Area Solid Waste Agency Commission**



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Des Moines, Iowa 50319-0006  
Telephone (515) 281-5834

Rob Sand  
Auditor of State

January 10, 2025

Officials of Crawford County Area Solid Waste Agency Commission  
Denison, Iowa

Dear Commission Members:

I am pleased to submit to you the financial and compliance audit report for the Crawford County Area Solid Waste Agency Commission, Denison, Iowa, for the year ended June 30, 2024. 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 Crawford County Area Solid Waste Agency Commission 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,

A handwritten signature in black ink, appearing to read "Rob Sand", written in a cursive style.

Rob Sand  
Auditor of State

## Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5-7
Basic Financial Statement:	<u>Exhibit</u>
Statement of Cash Receipts, Disbursements and Changes in Cash Balance	A 9
Notes to Financial Statement	10-18
Other Information:	
Schedule of the Commission's Proportionate Share of the Net Pension Liability	20-21
Schedule of Commission Contributions	22-23
Notes to Other Information – Pension Liability	25
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>	26-27
Schedule of Findings	28-31
Staff	32

**Crawford County Area Solid Waste Agency Commission**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Kyle Schultz	Chairperson	Crawford County
Jay Ford	Vice Chairperson	City of Denison
Ben Heyne	Member	Cities of Arion, Aspinwall, Buck Grove, Charter Oak, Deloit, Dow City, Kiron, Manilla, Ricketts, Schleswig, Vail and Westside
Eileen Sailer	Member	Crawford County
Corey Curnyn	Member	City of Denison
Charles E. Ettleman	Financial Secretary	

**Crawford County Area Solid Waste Agency Commission**



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Independent Auditor's Report

To the Members of the Crawford County Area Solid Waste Agency Commission:

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statement of the Crawford County Area Solid Waste Agency Commission as of and for the year ended June 30, 2024 and the related Notes to Financial Statement which collectively comprise the Crawford County Area Solid Waste Agency Commission's basic financial statement as listed in the table of contents.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the respective cash basis financial position of the Crawford County Area Solid Waste Agency Commission as of June 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinion

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 the Financial Statement section of our report. We are required to be independent of Crawford County Area Solid Waste Agency Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

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



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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Crawford County Area Solid Waste Agency 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crawford County Area Solid Waste Agency 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 this 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 20 through 25 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 January 10, 2025 on our consideration of the Crawford County Area Solid Waste Agency Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Crawford County Area Solid Waste Agency Commission's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA  
Deputy Auditor of State

January 10, 2025

**Basic Financial Statement**

Crawford County Area Solid Waste Agency Commission

Statement of Cash Receipts, Disbursements and  
Changes in Cash Balance

As of and for the year ended June 30, 2024

Operating receipts:	
County contributions	\$ 50,700
City contributions	156,660
Tonnage fees	810,079
Gate fees	45,675
Sales tax	3,111
Sale of materials	<u>10,849</u>
Total operating receipts	<u>1,077,074</u>
Operating disbursements:	
Salaries and benefits	255,651
Insurance	19,914
Utilities	12,475
Office supplies	7,364
Engineering and testing	33,019
Equipment operations	58,965
Building and grounds	17,932
Solid waste disposal fees	373,884
Solid waste transportation fees	188,356
Recycling	61,070
Miscellaneous	<u>6,475</u>
Total operating disbursements	<u>1,035,105</u>
Excess of operating receipts over operating disbursements	<u>41,969</u>
Non-operating receipts:	
Interest on investments	68,834
Vehicle storage fees	<u>210</u>
Total non-operating receipts	<u>69,044</u>
Change in cash balance	111,013
Cash balance beginning of year	<u>1,935,888</u>
Cash balance end of year	<u>\$ 2,046,901</u>
<b>Cash Basis Fund Balance</b>	
Restricted for:	
Groundwater protection	\$ 105,872
Landfill closure and postclosure care	738,941
Transfer station closure care	<u>35,229</u>
Total restricted cash basis fund balance	880,042
Unrestricted	<u>1,166,859</u>
Total cash basis fund balance	<u>\$ 2,046,901</u>

See notes to financial statement.

Crawford County Area Solid Waste Agency Commission

Notes to Financial Statement

June 30, 2024

**(1) Summary of Significant Accounting Policies**

The Crawford County Area Solid Waste Agency Commission was formed in 1989 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to develop, operate and maintain solid waste and recycling facilities in Crawford County on behalf of the units of government which are members of the Commission.

The governing body of the Commission is composed of five members. Each member of the Commission has one vote and is appointed as follows: three members shall be appointed by the Crawford County Board of Supervisors, consisting of one from the City of Denison, one a resident of Crawford County but not a resident of the City of Denison and one a member of the Board of Supervisors, one member shall be appointed by the City of Denison and shall be an elected official and one member shall be appointed by the other cities in Crawford County and shall be an elected official. The member cities are Arion, Aspinwall, Buck Grove, Charter Oak, Deloit, Denison, Dow City, Kiron, Manilla, Ricketts, Schleswig, Vail and Westside.

A. Reporting Entity

For financial reporting purposes, the Crawford County Area Solid Waste Agency 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 statement to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Commission to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Commission. The Commission has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

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

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

C. Basis of Accounting

The Commission maintains its financial records on the basis of cash receipts and disbursements and the financial 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 Balance

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

**(2) Cash and Investments**

The Commission's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

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

**(3) Pension Plan**

Plan Description – IPERS membership is mandatory for employees of the Commission, except for those covered by another retirement system. Employees of the Commission are provided with pensions through a cost-sharing multiple employer-defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 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 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 2024, 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, 2024 totaled \$18,686.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the Commission had a liability of \$106,319 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2023, the Commission’s proportion was 0.002355%, which was an increase of 0.000076% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024 the Commission’s pension expense, deferred outflows of resources and deferred inflows of resources totaled \$9,034, \$83,232 and \$64,829, respectively.

There were no non-employer contributing entities to IPERS.

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

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

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

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



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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Public real assets	9.0	3.88
Private credit	4.5	4.60
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 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	\$ 226,059	106,319	5,976

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).

**(4) Compensated Absences**

Commission employees accumulate a limited amount of earned but unused vacation and compensatory leave 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 to employees for earned vacation and compensatory time at June 30, 2024, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ 14,000
Compensatory time	<u>1,000</u>
Total	<u>\$ 15,000</u>

This liability has been computed based on rates of pay in effect at June 30, 2024.

**(5) Other Postemployment Benefits (OPEB)**

Plan Description – The Commission operates a single-employer health 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, 2024, the Commission contributed \$22,045 to the plan. At June 30, 2024, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retired participants must be age 55 or older at retirement. At June 30, 2024, there were two active employees covered by the benefit terms and no inactive employees or beneficiaries currently receiving benefit payments.

**(6) Closure and Postclosure Care**

Landfill

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

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

These costs for the Commission have been estimated to be \$692,979 for postclosure care as of June 30, 2024. During the year ended June 30, 2008, the Commission stopped accepting waste at the landfill and began transferring waste to a site in Carroll County.

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 accumulated resources to fully fund these costs and, at June 30, 2024, assets of \$738,941 are restricted for this purpose. The amount is reported as restricted cash balance in the Statement of Cash Receipts, Disbursements and Changes in Cash Balance.

#### Transfer Station

To comply with state regulations, the Commission is required to complete a closure plan detailing how the transfer station will comply with proper disposal of all solid waste and litter at the site, cleaning the transfer station building, including the rinsing of all surfaces that have come in contact with solid waste or washwater, cleaning of all solid waste transport vehicles that will remain on site, including the rinsing of all surfaces that have come in contact with solid waste, and the removal and proper management of all washwater in the washwater management system.

To comply with state regulations, the Commission is required to maintain a closure account as financial assurance for the closure care costs. The effect of the state requirement is to commit transfer station owners to perform certain closing functions as a condition for the right to operate the transfer station in the current period.

The total closure care costs for the Commission as of June 30, 2024 have been estimated to be \$33,721. The Commission has fully funded the costs and, at June 30, 2024, assets of \$35,229 are restricted for these purposes and are reported as restricted cash balance in the Statement of Cash Receipts, Disbursements and Changes in Cash Balance.

#### **(7) Solid Waste Tonnage Fees Retained**

The Commission has established a groundwater protection 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, 2024, the unspent amount retained by the Commission and restricted for the required specific purposes totaled \$105,872.

## **(8) Risk Management**

The Commission is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 803 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, employment practices liability, public officials liability, cyber liability, law enforcement liability, and property. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual casualty operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses estimated for the fiscal year, plus all of 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 Commission's property and casualty contributions to the Pool are recorded as disbursements from its operating fund at the time of payment to the Pool. The Commission's contributions to the Pool for the year ended June 30, 2024 were \$10,140.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, employment practices, law enforcement, cyber and public officials' liability risks up to \$500,000 per claim. Claims exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Commission's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$500,000 each occurrence, each location. Property risks exceeding \$500,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Commission'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 Commission's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred. As of June 30, 2024, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The Commission also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$1,000,000 and \$60,000, respectively. The Commission 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.

**(9) Lease Agreement**

The land used by the Commission for its landfill site was leased from Crawford County for a one-time fee of \$1.00. The lease is self-renewing for twelve-month periods unless written notice is given by either party within sixty days of the end of a fiscal year.

**(10) Contracts**

Solid Waste Disposal Agreement

The Commission entered into an agreement with the Carroll County Solid Waste Management Commission for acceptance of solid waste from the Commission for \$27.00 per ton. The agreement is in effect from July 1, 2013 through June 30, 2027. During the year ended June 30, 2024, the Commission paid \$373,884 under the contract.

Transportation Agreement

The Commission entered into an agreement with Erlbacher Brothers, Inc. for transportation from the transfer station to Carroll County for \$10.75 per ton plus adjustments for changes in fuel prices. The agreement is in effect from January 1, 2014 and was extended through December 31, 2024. During the year ended June 30, 2024, the Commission paid \$188,356 under the contract.

Recyclable Materials Processing Agreement

The Commission entered into a recycling agreement with the Carroll County Solid Waste Management Commission. The Commission has built a recyclable material transfer station capable of receiving commingled recyclable materials from private haulers and transferring those materials to an off-site processing facility in Carroll County. The Commission pays the Carroll County Solid Waste Management Commission for marketing the processed recyclable materials and for educating the public on recycling issues. The Commission pays a monthly fee for the recyclable materials. The agreement commenced on July 1, 1995 and is renewable on an annual basis. During the year ended June 30, 2024, the Commission paid \$9,098 under the contract.

## **Other Information**

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Crawford County Area Solid Waste Agency Commission

Schedule of the Commission's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System  
For the Last Ten Years\*

Other Information

	2024	2023	2022	2021
Commission's proportion of the net pension liability (asset)	0.002355%	0.002279%	(0.000893)% **	0.002144%
Commission's proportionate share of the net pension liability	\$ 106,319	86,093	3,084	150,605
Commission's covered payroll	\$ 206,860	183,526	178,560	170,148
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	51.40%	46.91%	1.73%	88.51%
Plan fiduciary net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%

\* 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.

\*\* Overall plan net pension asset.

See accompanying independent auditor's report.

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2020	2019	2018	2017	2016	2015
0.002158%	0.002198%	0.002079%	0.002191%	0.002112%	0.002159%
124,967	139,062	138,465	137,857	104,334	85,618
164,237	165,162	155,162	157,200	144,681	141,265
76.09%	84.20%	89.24%	87.70%	72.11%	60.61%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%



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Crawford County Area Solid Waste Agency Commission

Schedule of Commission Contributions

Iowa Public Employees' Retirement System  
For the Last Ten Years

Other Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 18,686	19,528	17,325	16,856
Contributions in relation to the statutorily required contribution	<u>(18,686)</u>	<u>(19,528)</u>	<u>(17,325)</u>	<u>(16,856)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commission's covered payroll	\$ 197,945	206,860	183,526	178,560
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%
See accompanying independent auditor's report.				

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2020	2019	2018	2017	2016	2015
16,062	15,504	14,749	13,856	14,038	12,920
(16,062)	(15,504)	(14,749)	(13,856)	(14,038)	(12,920)
-	-	-	-	-	-
170,148	164,237	165,162	155,162	157,200	144,681
9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

**Crawford County Area Solid Waste Agency Commission**

Crawford County Solid Waste Agency Commission

Notes to Other Information – Pension Liability

Year ended June 30, 2024

Changes of benefit terms:

There are no significant changes to the benefit terms.

Changes of assumptions:

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

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

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

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

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

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



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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 a Financial Statement Performed in Accordance with  
Government Auditing Standards

To the Members of the Crawford County Area Solid Waste Agency 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 statement of the Crawford County Area Solid Waste Agency Commission, Iowa, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statement, and have issued our report thereon dated January 10, 2025. Our report expressed an unmodified opinion on the financial statement which was prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Crawford County Area Solid Waste Agency 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Crawford County Area Solid Waste Agency Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Crawford County Area Solid Waste Agency 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 statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 a deficiency in internal control, described in the accompanying Schedule of Findings as item 2024-001 that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford County Area Solid Waste Agency Commission's financial statement is 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 statement. 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, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statement 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.

### Crawford County Area Solid Waste Agency Commission's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on Crawford County Area Solid Waste Agency Commission's response to the finding identified in our audit and described in the accompanying Schedule of Findings. Crawford County Area Solid Waste Agency Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

### 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 Crawford County Area Solid Waste Agency 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.



Brian R. Brustkern, CPA  
Deputy Auditor of State

January 10, 2025

Crawford County Area Solid Waste Agency Commission

Schedule of Findings

Year ended June 30, 2024

**Finding Related to the Financial Statement:**

**INTERNAL CONTROL DEFICIENCY:**

2024-001 Segregation of Duties

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

Condition – One person in the office has control over each of the following areas for the Commission:

- (1) Cash – A single cash drawer is shared by Scale House staff.
- (2) Receipts – opening mail and listing mail receipts, depositing, posting and maintaining accounts receivable records. While a monthly accounts receivable reconciliation is performed, the reconciliation is not reviewed and approved by an independent person.
- (3) Investments – investing, recording and custody. An independent person does not inspect the investments, confirm investments held with issuers, reconcile documents to the investment records, verify recorded investment earnings for accuracy or reconcile earnings with those recorded in the accounting records.
- (4) Bank reconciliations – preparing, reconciling and reviewing.

Cause – The Commission 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 Commission’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 – We realize segregation of duties is difficult with a limited number of office employees. However, the Commission should review its operating procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including Commission members to provide additional control through review of financial transactions and reports. The independent reviews should be documented by the signature or initials of the reviewer and the date of the review. An independent person should also open mail and test mail receipts.

Response – We will look for opportunities for segregation of duties.

Conclusion – Response acknowledged. The Commission should utilize Commission members to obtain the maximum internal control possible under the circumstances.

Crawford County Area Solid Waste Agency Commission

Schedule of Findings

Year ended June 30, 2024

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.



Crawford County Area Solid Waste Agency Commission

Schedule of Findings

Year ended June 30, 2024

**Other Findings Related to Required Statutory Reporting:**

- 2024-A 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.
- 2024-B Travel Expense – No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.
- 2024-C 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.
- 2024-D Commission Minutes – No transactions were found that we believe should have been approved in the Commission minutes but were not.
- 2024-E Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Commission's investment policy were noted.
- 2024-F Solid Waste Fees Retainage – No instances of noncompliance with the solid waste fees used or retained in accordance with the provisions of Chapter 455B.310 of the Code of Iowa were noted.

Crawford County Area Solid Waste Agency Commission

Schedule of Findings

Year ended June 30, 2024

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

	Postclosure Care	Transfer Station Closure
Total estimated cost for closure and postclosure care	\$ 692,979	33,721
Less: Balance of funds held in the local dedicated fund at June 30, 2023	(708,006)	(33,986)
	(15,027)	(265)
Divided by the number of years remaining in the pay-in-period	1	1
Required payment into the local dedicated fund for the year ended June 30, 2024	(15,027)	(265)
Balance of funds held in the local dedicated fund at June 30, 2023	708,006	33,986
Balance of funds required to be held in the local dedicated fund at June 30, 2024	\$ 692,979	33,721
Amount Agency has restricted for closure and postclosure care at June 30, 2024	\$ 738,941	35,229

The amounts restricted for closure and postclosure care at June 30, 2024 exceed the estimated total costs and, accordingly, the costs are fully funded.

Crawford County Area Solid Waste Agency Commission

Staff

This audit was performed by:

Brian R. Brustkern, CPA, Deputy  
Ryan J. Pithan, CPA, Manager  
Miranda L. Hoch, Staff Auditor