



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

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

Rob Sand  
Auditor of State

**NEWS RELEASE**

FOR RELEASE

June 5, 2025

Contact: Brian Brustkern  
515/281-5834

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

**FINANCIAL HIGHLIGHTS:**

The Commission had total receipts of \$1,036,283 for the year ended June 30, 2024, a 6.8% decrease from the prior year. Disbursements for the year ended June 30, 2024 totaled \$1,025,605, a 16.4% decrease from the prior year. The significant decrease in disbursements is due primarily to significant equipment purchases made in the prior year.

**AUDIT FINDINGS:**

Sand reported five findings related to the receipt and disbursement of taxpayer funds. The findings are found on pages 30 through 32 of this report. The findings address a lack of segregation of duties and the lack of controls over the proper reporting of reimbursements from the State of Iowa and lack of compliance with Chapter 28E.6 related to the publication of Commission minutes. Sand provided the Commission with recommendations to address each of the findings.

Three of the findings discussed above are repeated from the prior year. The Butler County Area Solid Waste Commission Board 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](#).

# # #

**BUTLER COUNTY AREA SOLID WASTE COMMISSION**

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

**JUNE 30, 2024**

**Butler County Area Solid Waste Commission**



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Telephone (515) 281-5834

Rob Sand  
Auditor of State

May 21, 2025

Officials of Butler County Area Solid Waste Commission  
Allison, Iowa

Dear Board Members:

I am pleased to submit to you the financial and compliance audit report for the Butler County Area Solid Waste Commission, Allison, 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 Butler County Area Solid Waste 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".

Rob Sand  
Auditor of State

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## **Butler County Area Solid Waste Commission**

### **Officials**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Rusty Eddy	Chairperson/ Executive Board/ RIWMA Representative	Butler County
Jeff Kolb	Vice Chairperson/ Executive Board	City of Clarksville
Deb Prier	Secretary/Executive Board	City of Aplington
Scot Henrichs	Member	City of Allison
Rodney McKinney	Member/Executive Board	City of Aredale
Dennis Petersen	Member	City of Bristow
Greg Barnett	Member	Butler County
Wayne Dralle	Member	Butler County
Ed Mouw	Member	City of Dumont
Warren Van Dyke	Member	City of Greene
Dennis Canfield	Member	City of New Hartford
Michael Timmer	Member	City of Parkersburg
Ed Willard	Member/Executive Board	City of Shell Rock
Matt Ramker	Director	

**Butler County Area Solid Waste Commission**



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Auditor of State

**Independent Auditor's Report**

To the Members of the Butler County Area Solid Waste Commission:

**Report on the Audit of the Financial Statement**

**Opinion**

We have audited the financial statement of the Butler County Area Solid Waste Commission as of and for the year ended June 30, 2024 and the related Notes to Financial Statement, which collectively comprise the Butler County Area Solid Waste 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 Butler County Area Solid Waste 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 Butler County Area Solid Waste 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 judgement 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Butler County Area Solid Waste 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Butler County Area Solid Waste 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 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 22 through 27 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 May 21, 2025 on our consideration of the Butler County Area Solid Waste 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 Butler County Area Solid Waste Commission's internal control over financial reporting and compliance.



Brian R. Brustkern, CPA  
Deputy Auditor of State

May 21, 2025

**Butler County Area Solid Waste Commission**

## **Basic Financial Statement**

**Butler County Area Solid Waste Commission**

Butler County Area Solid Waste Commission

Statement of Cash Receipts, Disbursements and  
Changes in Cash Balance

As of and for the year ended June 30, 2024

Operating receipts:	
Gate fees	\$ 299,106
City contributions	406,350
County contributions	238,695
Recycling sales	64,637
Sale of batteries	1,817
IDNR HHW Reimbursements	4,176
Miscellaneous	<u>2,033</u>
Total operating receipts	<u>1,016,814</u>
Operating disbursements:	
Salaries	232,630
Employee benefits	122,215
Utilities and telephone	11,604
Transfer station expense and supplies	23,348
Transporting recyclables and recycling	102,878
Office supplies and recycling promotion	2,518
Landfill disposal fees	433,872
Transporting household hazardous waste materials	3,377
Insurance	32,281
Professional fees	8,487
Solid waste transportation	45,439
Miscellaneous	<u>6,102</u>
Total operating disbursements	<u>1,024,751</u>
Deficiency of operating receipts under operating disbursements	<u>(7,937)</u>
Non-operating receipts (disbursements):	
Interest on investments	16,499
Grant receipts	2,970
Grant expenses	<u>(854)</u>
Net non-operating receipts (disbursements)	<u>18,615</u>
Change in cash balance	10,678
Cash balance beginning of year	<u>427,386</u>
Cash balance end of year	<u>\$ 438,064</u>
<b>Cash Basis Fund Balance</b>	
Restricted for closure care	\$ 39,988
Unrestricted	<u>398,076</u>
Total cash basis fund balance	<u>\$ 438,064</u>

See notes to financial statements.

Butler County Area Solid Waste Commission

Notes to Financial Statement

June 30, 2024

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

The Butler County Area Solid Waste Commission was formed in 1980 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of the Commission is to develop, operate and maintain a sanitary landfill in Butler County for use by all of the residents of the County. In October 1989, the Butler County Landfill was closed, and the Commission began operating a solid waste transfer station.

The governing body of the Commission is composed of one representative from each participating City and three representatives from Butler County. The representative of each City shall be appointed by the Mayor, approved by the City Council and certified to the Commission by the City Clerk. Representatives of the County shall be the members of the Board of Supervisors. The member cities are Allison, Aplington, Aredale, Bristow, Clarksville, Dumont, Greene, New Hartford, Parkersburg and Shell Rock.

A. Reporting Entity

For financial reporting purposes, the Butler County Area Solid Waste 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.

Jointly Governed Organization – The Commission is a member of the Rural Iowa Waste Management Association (RIWMA), a jointly governed organization established pursuant to Chapter 28E of the Code of Iowa. RIWMA is composed of two members from the Butler County Area Solid Waste Commission (one City representative and one County Supervisor). The purpose of the RIWMA is to effectively provide for the sanitary disposal of solid waste and other solid waste reduction or recycling programs as the Commissions deem necessary and beneficial to the citizens they serve.

RIWMA is responsible for sanitary landfill activities. The responsibilities for hazardous waste, waste reduction, special waste and education under the Environmental Protection Act remain with each separate Commission.

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 closure 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 \$20,558.

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 \$105,942 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 0.002347%, which was a decrease of 0.000025% 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 \$9,002, \$82,936 and \$64,599, 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
Private real assets	9.0	3.88
Private credit	4.5	4.60
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 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	\$ 225,257	105,942	5,955

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) Other Postemployment Benefits (OPEB)**

Plan Description – The Commission operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. The Commission currently finances the benefit plan on a pay-as-you-go basis. For the year ended June 30, 2024, the Commission contributed \$70,643 and plan members eligible for benefits contributed \$14,987 to the plan. At June 30, 2024, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits – Individuals who are employed by the Butler County Area Solid Waste 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/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, the following employees were covered by the benefit terms:

Active employees	<u>4</u>
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**(5) Transfer Station Closure Care**

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 complete a closure account as financial assurance for the closure care costs. The effect of the state requirement is to commit landfill 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 for the Commission as of June 30, 2024 has been estimated to be \$23,168. At June 30, 2024, the Commission has restricted \$39,988 for closure care and accordingly, the estimated closure care costs are fully funded.

**(6) Solid Waste Tonnage Fees Retained**

The Commission has established an account for restricting and using solid waste tonnage fees retained by the Commission in accordance with Chapter 455B.310 of the Code of Iowa. At June 30, 2024, the Commission had no unspent tonnage fees.

## **(7) 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 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 Commission'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 Commission's contributions to the Pool for the year ended June 30, 2024 were \$24,381.

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 \$50,000, 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.

**(8) Compensated Absences**

Commission employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Commission until used or paid. The Commission's approximate liability for earned vacation at June 30, 2024 was \$10,900. This liability has been computed based on rates of pay in effect at June 30, 2024.

**Butler County Area Solid Waste Commission**

## **Other Information**



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Butler County Area Solid Waste 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	0.002347%	0.002372%	(0.000984)% **	0.002543%
Commission's proportionate share of the net pension liability	\$ 106	90	3	179
Commission's covered payroll	\$ 206	191	197	202
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	51.46%	47.12%	1.52%	88.61%
IPERS' 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 year.

\*\* Overall plan net pension asset.

See accompanying independent auditor's report.



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Butler County Area Solid Waste Commission

Schedule of Commission Contributions

Iowa Public Employees' Retirement System  
For the Last Ten Years

Other Information

	2024	2023	2022	2021
Statutorily required contribution	\$ 21	19	18	19
Contributions in relation to the statutorily required contribution	(21)	(19)	(18)	(19)
Contribution deficiency (excess)	\$ -	-	-	-
Commission's covered payroll	\$ 218	206	191	197
Contributions as a percentage of covered payroll *	9.44%	9.44%	9.44%	9.44%

\* Amounts reported do not agree with the calculated amounts due to rounding required contributions and covered payroll to the nearest thousandth.

See accompanying independent auditor's report.



**Butler County Area Solid Waste Commission**

Butler County Area Solid Waste Commission  
Notes to Other Information – Pension Liability  
Year ended June 30, 2024

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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



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Rob Sand  
Auditor of State

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 Butler County Area Solid Waste 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 Butler County Area Solid Waste Commission, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statement and have issued our report thereon dated May 21, 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 Butler County Area Solid Waste 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 Butler County Area Solid Waste Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Butler County Area Solid Waste Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control that we consider to be a material weakness and certain deficiencies in internal control that we consider to be significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings as item 2024-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2024-002 and 2024-003 to be significant deficiencies.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Butler County Area Solid Waste 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. However, we noted certain immaterial instances of noncompliance or other matters which are described in the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the Commission's operations for the 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.

## Butler County Area Solid Waste Commission's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Butler County Area Solid Waste Commission's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. Butler County Area Solid Waste Commission's responses were not subjected to the other auditing procedures applied in the audit of the financial statement 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 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 Butler County Area Solid Waste 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

May 21, 2025



Butler County Area Solid Waste Commission

Schedule of Findings

Year ended June 30, 2024

**Findings Related to the Financial Statement:**

**INTERNAL CONTROL DEFICIENCIES:**

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 statements.

Condition – One person has primary control over charge accounts, including billing, deposit preparation, posting transactions to accounting records and reconciling payments to receivable records.

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 – The Commission should utilize available staff or designate a member of the Commission to provide additional control through review of financial transactions to help ensure accounts receivable charges and payments on account are properly recorded and deposited intact. The independent reviews should be documented by the signature or initials of the reviewer and the date of the review.

Response – We will continue to research ideas as to how we can better address the segregation of duties issue, but it is very difficult with our limited staff.

Conclusion – Response acknowledged. The Commission could designate members of the Commission Board to provide addition control through review of financial transactions. The independent reviews should be evidenced by the signature or initials of the reviewer and date of the review.

2024-002 Bank Reconciliation

Criteria – An effective internal control system provides for internal controls related to ensuring proper accounting for all funds by reconciling bank and book balances.

Condition – Three transactions totaling \$14,205 were improperly included as uncleared transactions on the June 30, 2024 bank reconciliation. These transactions represent reimbursements from the State of Iowa, correctly deposited to the Commission's bank account in fiscal year 2022 but incorrectly recorded to the Commission's general ledger, resulting in an understatement of the Commission's June 30, 2024 cash balance. This was corrected for financial reporting purposes. In addition, the bank reconciliation is reviewed by an individual who signs checks.

Butler County Area Solid Waste Commission

Schedule of Findings

Year ended June 30, 2024

Cause – Procedures have not been designed and implemented to ensure reconciling items are identified and support and the bank reconciliations are reviewed by an independent individual.

Effect – The lack of identifying and resolving bank reconciliation issues and review of the bank reconciliation by an independent individual can result in unrecorded transactions, undetected errors and opportunity for misappropriation.

Recommendation – The Commission's monthly bank reconciliations should include procedures to investigate and resolve variances between book and bank balances in a timely manner. All reconciling items should be identified and properly supported. In addition, the reconciliation should be reviewed by an independent person, including independent verification of reconciling items.

Response – The bookkeeper is working with the QuickBooks contact to fix the bank reconciliation issues. In addition, the Commission will research ideas to address the independent review over the bank reconciliation.

Conclusion – Response accepted.

2024-003 Computer Backups

Criteria – Properly designed policies and procedures pertaining to control activities over the Commission's computer systems and implementation of the policies and procedures help provide reasonable assurance financial information is safeguarded and reliable, and helps ensure the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Condition – The Commission does not require backup flash drives to be stored separately from the laptop in a fireproof vault or safe.

Cause – Management has not required off-site storage for backup flash drives.

Effect – Storing back-up flash drives off-site helps ensure financial and other information is readily available in the case of a computer breakdown or emergency.

Recommendation – Backup flash drives should be stored off site in a fireproof vault or safe.

Response – The Director will work with the Bookkeeper and set up a cloud account for backups.

Conclusion – Response accepted.

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

Butler County Area Solid Waste 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.

However, a summary of the minutes was not published timely for two of four minutes tested. Chapter 28E.6(3)(a) requires the Commission to publish a summary of the proceedings of each regular, adjourned or special meeting of the Board. This information is to be published in one newspaper of general circulation within the geographic area by the Commission. The Commission is required to furnish the summary of the proceedings for publication within 20 days following the adjournment of the meeting. In addition, the names and gross salaries of persons employed by the Commission were not published as required by Chapter 28E.6(3)(a) of the Code of Iowa.

Recommendation – The Commission should comply with Chapter 28E.6(3)(a) of the Code of Iowa.

Response – The Director will work with the Board Secretary and publisher to ensure timely publication. At least annually, the names and gross salaries/hourly rates will be published in an easy-to-understand format.

Conclusion – Response accepted.

- 2024-E     Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the Commission’s investment policy were noted, except as follows:

The Commission has not adopted a written investment policy as required by Chapter 12B.10B of the Code of Iowa.

Recommendation – The Commission should adopt a written investment policy which complies with the provisions of Chapter 12B.10B of the Code of Iowa.

Response – The Commission will work on implementing a written investment policy.

Conclusion – Response accepted.

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

Butler County Area Solid Waste Commission

Staff

This audit was performed by:

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