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Doc # 108371

November 10, 2023

Iowa Department of Natural Resources
Wallace State Office Building
Des Moines, IA 50319

To Whom It May Concern:

We submit herewith an audit report of the examination of the Waste Authority of Jackson County, Maquoketa, Iowa, as provided in Chapter 11 of the Code of Iowa and Government Auditing Standards, issued by the Comptroller General of the United States of America.

This examination of the financial statements of the Waste Authority of Jackson County is for the year ended June 30, 2023. The workpapers are on file at our office.

Sincerely,

Bowman & Miller, P.C.

Taylor G. Johnson, CPA

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NOV 27 2023

Enclosures



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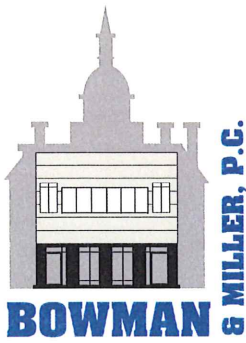
Table of Contents

	<u>Page</u>
Officials	1
Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-8
Basic Financial Statements:	<u>Exhibit</u>
Statements of Net Position	A 9
Statements of Revenues, Expenses and Changes in Net Position	B 10
Statements of Cash Flows	C 11
Notes to Financial Statements	12-26
Required Supplementary Information:	
Schedule of the Authority's Proportionate Share of the Net Pension Liability	27-28
Schedule of Authority Contributions	29-30
Notes to Required Supplementary Information - Pension Liability	31
Schedule of Changes in the Authority's Total OPEB Liability, Related Ratios and Notes	32-33
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	34-35
Schedule of Findings	36-39
Staff	40

WASTE AUTHORITY OF JACKSON COUNTY

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Tom Messerli	Chair	District H
Jennifer Machande	Vice-Chair	District G
Dennis Driscoll	Secretary	District F
Carrie Browne	Member	District B
Jean Casel	Member	District A
Brian Bredekamp	Member	District D
Kent Clasen	Member	District E
Jim Roling	Member	District C
Mike Steines	Member	Board of Supervisors
Frank Frieberg	Director	
Dean Engel	Treasurer	



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Independent Auditors' Report

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NOV 27 2023

To the Members of the Waste Authority of Jackson County:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Waste Authority of Jackson County as of and for the year ended June 30, 2023 and 2022, and the related Notes to Financial Statements, which collectively comprise the Waste Authority of Jackson County's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Waste Authority of Jackson County as of June 30, 2023 and 2022, and the changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles

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 Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Waste Authority of Jackson County, 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Authority's Proportionate Share of the Net Pension Liability, the Schedule of Authority Contributions and the Schedule of Changes in the Authority's Total OPEB Liability, Related Ratios and Notes on pages 5 through 8 and pages 27 through 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2023 on our consideration of the Waste Authority of Jackson County'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 Authority'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 Waste Authority of Jackson County's internal control over financial reporting and compliance.

Bowman & Miller, P.C.

Marshalltown, Iowa
November 10, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Waste Authority of Jackson County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the years ended June 30, 2023 and 2022. We encourage readers to consider this information in conjunction with the Authority's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- ◆ The Authority's operating revenues increased 1.1%, or \$10,050, during fiscal year 2023. Gate fees increased from the prior fiscal year.
- ◆ The Authority's operating expenses increased 6.9%, or \$61,740, during fiscal year 2023.
- ◆ The Authority's net position increased 2.6%, or \$37,865, during fiscal year 2023.

USING THIS ANNUAL REPORT

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

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

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

The Statements of Revenues, Expenses and Changes in Net Position are the basic statements of activities for proprietary funds. These statements present information on the Authority's operating revenues and expenses, non-operating revenues and expenses and whether the Authority's financial position has improved or deteriorated as a result of the year's activities.

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

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

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

FINANCIAL ANALYSIS OF THE AUTHORITY

Statements of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. The Authority's net position increased from \$1,467,627 at June 30, 2022 to \$1,505,492 at June 30, 2023. A summary of the Authority's net position is presented below.

	Net Position	
	June 30,	
	2023	2022
Current assets	\$ 681,905	1,005,495
Restricted investments	82,573	103,162
Capital assets	1,054,523	695,035
Total assets	<u>1,819,001</u>	<u>1,803,692</u>
Deferred outflows of resources	<u>53,054</u>	<u>53,853</u>
Current liabilities	70,863	59,239
Noncurrent liabilities	268,589	178,186
Total liabilities	<u>339,452</u>	<u>237,425</u>
Deferred inflows of resources	<u>27,111</u>	<u>152,493</u>
Net position:		
Net investment in capital assets	1,054,523	695,035
Unrestricted	<u>450,969</u>	<u>772,592</u>
Total net position	<u>\$ 1,505,492</u>	<u>1,467,627</u>

The unrestricted portion of the Authority's net position (30.0%) may be used to meet the Authority's obligations as they come due. The invested in capital assets (e.g., land, buildings and equipment) (70.0%) are resources allocated to capital assets. State and federal laws and regulations require the Authority to perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure, which occurred in 1994. As of June 30, 2023, the Authority's restricted assets for closure and postclosure care equaled the projected closure and postclosure care liability.

Statements of Revenues, Expenses and Changes in Net Position

Operating revenues are received for gate fees from accepting solid waste from the residents of Jackson County. Operating expenses are expenses paid to operate the transfer station and maintain the closed landfill site. Non-operating revenues are for interest income earned on the Authority's investments, grant revenue and the gain on sale of equipment. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net position for the years ended June 30, 2023 and 2022 is presented below:

Changes in Net Position		
	Year ended June 30,	
	2023	2022
Operating revenues:		
Gate fees	\$ 644,245	630,360
County and city assessments	255,705	257,178
Other operating revenues	5,888	6,311
Miscellaneous	25	1,964
Total operating revenues	<u>905,863</u>	<u>895,813</u>
Operating expenses:		
Salaries	258,931	231,409
Employee benefits and payroll taxes	68,377	64,211
Machinery and vehicle maintenance	27,606	2,848
Outside contracts	-	436
Site maintenance	31,935	21,514
Site utilities	50,048	10,609
Recycling drop off bin	2,616	2,162
Office operations	16,595	11,082
Training and travel	2,832	551
Accounting, auditing and legal fees	17,643	19,281
Insurance	43,025	36,845
Tipping fees	232,272	200,111
Depreciation	95,835	109,072
Transfer station	19,784	34,194
Transportation fees	71,265	114,904
Household hazardous materials disposal	13,728	6,811
Appliance and tire recycling disposal	8,704	9,318
E-waste recycling	7,910	8,957
Miscellaneous	8,435	10,897
Adjustment to estimated costs for landfill closure and postclosure costs	(20,589)	-
Total operating expenses	<u>956,952</u>	<u>895,212</u>
Operating income (loss)	<u>(51,089)</u>	601
Non-operating revenues:		
Interest income	8,592	3,048
Grant income	962	998
Gain on sale of capital assets	79,400	-
Total non-operating revenues	<u>88,954</u>	<u>4,046</u>
Change in net position	37,865	4,647
Net position beginning of year	<u>1,467,627</u>	<u>1,462,980</u>
Net position end of year	<u>\$ 1,505,492</u>	<u>1,467,627</u>

The Statements of Revenues, Expenses and Changes in Net Position reflect a positive year with an increase in net position at the end of each fiscal year. In fiscal year 2023, operating revenues increased \$10,050, or 1.1%, primarily a result of gate fees increasing approximately \$14,000 due to an increase in tonnage rates. Operating expenses increased \$61,740, or 6.9%. The increase was primarily a result of an increase in tipping fees paid for waste hauled to the contracted landfill and an increase in salaries and employee benefits over the prior fiscal year.

Statements of Cash Flows

The Statements of Cash Flows present information related to cash inflows and outflows, summarized by operating, capital and related financing and investing activities. Cash provided by operating activities includes gate fees and assessments reduced by payments to employees and to suppliers. Cash provided by non-capital financing activities includes grant funds. Cash used by capital and related financing activities include the purchase and disposal of capital assets. Cash provided by investing activities includes the purchase and redemption of certificates of deposit and interest income.

CAPITAL ASSETS

At June 30, 2023, the Authority had approximately \$1,055,000 invested in capital assets, net of accumulated depreciation of approximately \$887,000. Depreciation expense totaled \$95,835 and \$109,072 for fiscal years 2023 and 2022, respectively. More detailed information about the Authority's capital assets is presented in Note 3 to the financial statements.

LONG-TERM LIABILITIES

Additional information about the Authority's long-term liabilities is presented in Note 4 to the financial statements.

ECONOMIC FACTORS

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

- ◆ Facilities and equipment at the Authority require constant maintenance and upkeep.
- ◆ Fluctuating fuel costs continue to be an unknown in the budget process.
- ◆ Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up to date technology at a reasonable cost.

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

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Waste Authority of Jackson County, 25146 184th St. Maquoketa, Iowa 52060.

Basic Financial Statements

**WASTE AUTHORITY OF
JACKSON COUNTY
Statements of Net Position
June 30, 2023 and 2022**

Exhibit A

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 246,492	609,939
Investments	372,339	347,271
Accounts receivable	63,074	48,285
Total current assets	681,905	1,005,495
Noncurrent assets:		
Restricted investments	82,573	103,162
Capital assets, net of accumulated depreciation	1,054,523	695,035
Total noncurrent assets	1,137,096	798,197
Total assets	1,819,001	1,803,692
Deferred Outflows of Resources		
Pension related deferred outflows	37,203	34,841
OPEB related deferred outflows	15,851	19,012
Total deferred outflows of resources	53,054	53,853
Liabilities		
Current liabilities:		
Accounts payable	48,343	41,959
Accrued payroll liabilities	7,781	6,959
Compensated absences	14,739	10,321
Total current liabilities	70,863	59,239
Noncurrent liabilities:		
Landfill closure and postclosure care	82,573	103,162
Net pension liability	107,220	3,640
Total OPEB liability	78,796	71,384
Total noncurrent liabilities	268,589	178,186
Total liabilities	339,452	237,425
Deferred Inflows of Resources		
Pension related deferred inflows	17,486	141,165
OPEB related deferred inflows	9,625	11,328
Total deferred inflows of resources	27,111	152,493
Net position		
Net investment in capital assets	1,054,523	695,035
Unrestricted	450,969	772,592
Total net position	\$ 1,505,492	1,467,627

**WASTE AUTHORITY OF
JACKSON COUNTY**
Statements of Cash Flows
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from gate fees	\$ 629,456	642,784
Cash received from assessments	255,705	257,178
Cash received from other operating receipts	5,913	8,275
Cash paid to suppliers for goods and services	(611,973)	(543,119)
Cash paid to employees for services	(271,700)	(257,645)
Net cash provided by operating activities	<u>7,401</u>	<u>107,473</u>
Cash flows from non-capital financing activities:		
Cash received from grant funds	<u>962</u>	<u>998</u>
Net cash provided by non-capital financing activities	<u>962</u>	<u>998</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(455,323)	(70,901)
Proceeds from disposal of capital assets	<u>79,400</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(375,923)</u>	<u>(70,901)</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	(456,444)	(452,100)
Proceeds from redemption of certificates of deposit	451,965	452,197
Interest received	<u>8,592</u>	<u>3,048</u>
Net cash provided by investing activities	<u>4,113</u>	<u>3,145</u>
Net increase/(decrease) in cash and cash equivalents	(363,447)	40,715
Cash and cash equivalents beginning of year	<u>609,939</u>	<u>569,224</u>
Cash and cash equivalents end of year	<u>\$ 246,492</u>	<u>609,939</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ <u>(51,089)</u>	<u>601</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	95,835	109,072
Closure and postclosure care	(20,589)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(14,789)	12,424
(Decrease) increase in accounts payable	6,384	16,255
(Decrease) increase in accrued payroll liabilities	822	869
(Decrease) increase in compensated absences	4,418	(4,643)
(Decrease) increase in net pension liability	103,580	(176,657)
Decrease (increase) in deferred outflows of resources	799	20,420
(Decrease) increase in deferred inflows of resources	(125,382)	135,650
(Decrease) increase in total OPEB liability	<u>7,412</u>	<u>(6,518)</u>
Total adjustments	<u>58,490</u>	<u>106,872</u>
Net cash provided by operating activities	<u>\$ 7,401</u>	<u>107,473</u>

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements
June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies

The Jackson County Sanitary Disposal Agency was formed in 1975 pursuant to the provisions of Chapter 28E of the Code of Iowa. On March 19, 2012, the Agency was renamed the Waste Authority of Jackson County. The purpose of the Authority is to operate the sanitary landfill in Jackson County for use by all residents of the Authority. In January 1994, the Jackson County Landfill was closed, and the Authority began operating a solid waste transfer station.

The Authority is composed of one representative from each of the eight geographic districts and one representative from Jackson County. The representative of a District is appointed jointly by the political subdivisions within the District to be represented or is elected in an at-large election within the District. Each District shall be entitled to one vote for each 2,500 people or fraction thereof as determined by the most recent Federal Census.

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

A. Reporting Entity

For financial reporting purposes, the Waste Authority of Jackson County has included all funds, organizations, agencies, boards, commissions and authorities. The Authority 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 Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Authority 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 Authority. The Authority has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

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

The Statements of Net Position present the Waste Authority of Jackson County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets. The Authority had no debt attributable to capital assets at June 30, 2023 and 2022.

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

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

B. Basis of Presentation (Continued)

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Cash, Cash Equivalents and Investments – The Authority considers all short-term investments that are highly liquid to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months. Cash investments not meeting the definition of cash equivalents at June 30, 2023 and 2022 include certificates of deposit of \$454,912 and \$450,433, respectively.

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

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

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

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

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

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

Asset Class	Amount
Buildings and improvements	\$ 25,000
Equipment	1,000

Capital assets of the Authority are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings and improvements	15 - 39
Equipment	5 - 7

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

Compensated Absences – Authority employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. The Authority's liability for accumulated vacation has been computed based on rates of pay in effect at June 30, 2023 and 2022.

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

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(1) Summary of Significant Accounting Policies (Continued)

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

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the Waste Authority of Jackson County’s actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

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

(2) Cash, Cash Equivalents and Investments

The Authority’s deposits in banks at June 30, 2023 and 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against depositories to ensure there will be no loss of public funds.

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

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(3) Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Capital assets:				
Buildings and improvements	\$ 790,656	155,000	-	945,656
Equipment	899,191	300,323	203,949	995,565
Total capital assets	1,689,847	455,323	203,949	1,941,221
Less accumulated depreciation for:				
Buildings and improvements	237,324	20,265	-	257,589
Equipment	757,488	75,570	203,949	629,109
Total accumulated depreciation	994,812	95,835	203,949	886,698
Total capital assets, net	\$ 695,035	359,488	-	1,054,523

(4) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Net Pension Liability	Total OPEB Liability	Landfill Closure and Postclosure Care Costs	Total
Balance beginning of year	\$ 3,640	71,384	103,162	178,186
Increases	103,580	7,412	-	110,992
Decreases	-	-	20,589	20,589
Balance end of year	\$ 107,220	78,796	82,573	268,589
Due within one year	\$ -	-	-	-

(5) Lease Agreement

The land used by the Authority for its landfill site was leased from Jackson County for a one-time fee of \$1 for a period of twenty-five years. The lease has been extended for a period of thirty years from the date of the issuance of a closure permit to allow monitoring of the site as required by law. The lease will expire on August 24, 2024.

**WASTE AUTHORITY OF
JACKSON COUNTY
Notes to Financial Statements (Continued)
June 30, 2023 and 2022**

(6) Pension Plan

Plan Description – IPERS membership is mandatory for employees of the Authority, except those covered by another retirement system. Employees of the Authority are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month 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.

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(6) Pension Plan (Continued)

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

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Authority contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Authority's contributions to IPERS for the year ended June 30, 2023 totaled \$23,172.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the Authority reported a liability of \$107,220 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the Authority's proportion was 0.002838%, which was an increase of 0.003892% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Authority recognized pension income of \$(22,461). At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,753	1,469
Changes of assumptions	91	3
Net difference between projected and actual earnings on IPERS investments	-	11,477
Changes in proportion and differences between Authority contributions and its proportionate share of contributions	9,187	4,537
Authority contributions subsequent to the measurement date	23,172	-
Total	\$ 37,203	17,486

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(6) Pension Plan (Continued)

\$23,172 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	\$ (8,012)
2025	(6,966)
2026	(13,655)
2027	24,551
2028	627
	<u>\$ (3,455)</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 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, 2022 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 2022 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:

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(6) **Pension Plan (Continued)**

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0 %	3.57 %
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	0.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	8.0	3.63
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 Authority 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 Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Authority'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%)
Authority's proportionate share of the net pension liability	\$ 199,764	107,220	25,664

IPERS' Fiduciary Net Position – Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the IPERS- At June 30, 2023, the Authority reported payables to IPERS of \$2,755 for legally required employer contributions and \$1,836 for legally required employee contributions which had been withheld from employee wages but had not yet been remitted to IPERS.

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(7) Other Postemployment Benefits (OPEB)

Plan Description – The Authority administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

Retired participants must be age 55 or older at retirement. At June 30, 2023, there were four active employees and no inactive employees or beneficiaries currently receiving benefit payments.

Total OPEB Liability – The Authority’s total OPEB liability of \$78,796 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	
(effective June 30, 2022)	2.60% per annum.
Rates of salary increase	3.25% per year, including inflation
(effective June 30, 2023)	plus merit/productivity increases
Discount rate	
(effective June 30, 2023)	4.13% compounded annually
Healthcare cost trend rate	7.50% initial rate decreasing by 0.5%
(effective June 30, 2023)	annually to an ultimate rate of 4.50%

Discount Rate – The discount rate used to measure the total OPEB liability was 4.13% which reflects the index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA Pub-2010 total dataset mortality table fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(7) **Other Postemployment Benefits (OPEB) (Continued)**

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 71,384
Changes for the year:	
Service cost	8,030
Interest	3,151
Differences between expected and actual experiences	1,168
Changes in assumptions	(164)
Benefit payments	(4,773)
Net changes	7,412
Total OPEB liability end of year	\$ 78,796

Changes of assumptions reflect a change in the discount rate from 4.09% in fiscal year 2022 to 4.13% in fiscal year 2023.

Sensitivity of the Authority's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) than the current discount rate.

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 82,979	78,796	74,781

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

	1% Decrease (6.50%)	Healthcare Cost Trend Rate (7.50%)	1% Increase (8.50%)
Total OPEB liability	\$ 71,676	78,796	87,010

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(7) Other Postemployment Benefits (OPEB) (Continued)

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the Authority recognized OPEB expense of \$5,508. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,513	1,991
Changes of assumptions	1,338	7,634
Total	\$ 15,851	9,625

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

Year Ending June 30,	Amount
2024	\$ 2,463
2025	1,774
2026	1,774
2027	1,814
2028	(782)
Thereafter	(817)
	\$ 6,226

(8) Closure and Postclosure Care Costs

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

**WASTE AUTHORITY OF
JACKSON COUNTY
Notes to Financial Statements (Continued)
June 30, 2023 and 2022**

(8) Closure and Postclosure Care Costs (Continued)

Governmental Accounting Standards Board Statement No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total cost 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. Postclosure care costs for the Authority have been estimated to be \$58,600 and a provision for this liability has been made in the Authority's Statements of Net Position as of June 30, 2023.

To comply with state regulations, the Authority 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 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. The Authority is required to maintain 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.

At June 30, 2023, the total closure care costs for the Authority have been estimated to be \$23,973 and a provision for this liability has been made in the Authority's Statements of Net Position as of June 30, 2023.

The Authority has accumulated resources to fund these liabilities and, at June 30, 2023, assets of \$82,573 are restricted for these purposes. They are reported as restricted investments in the Statements of Net Position.

(9) Risk Management

The Authority 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 800 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 official's 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.

**WASTE AUTHORITY OF
JACKSON COUNTY**
Notes to Financial Statements (Continued)
June 30, 2023 and 2022

(9) Risk Management (Continued)

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 Authority's property and casualty contributions to the Pool are recorded as expenditures from its operating funds at the time of payment to the Pool. The Authority's contributions to the Pool for the years ended June 30, 2023 and 2022 were \$36,610 and \$31,275, respectively.

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 Authority's risk-sharing certificate. Property and automobile physical damage risks are retained by the Pool up to \$250,000 each occurrence, each location. Property risks exceeding \$250,000 are reinsured through reinsurance and excess risk-sharing agreements up to the amount of risk-sharing protection provided by the Authority'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 Authority's risk-sharing certificate, or in the event a casualty claim, property loss or series of claims or losses exhausts the Pool's funds and any excess risk-sharing recoveries, then payment of such claims or losses shall be the obligation of the respective individual member against whom the claim was made or the loss was incurred.

The Authority does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2023 and 2022, no liability has been recorded in the Authority's financial statements. As of June 30, 2023 and 2022, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

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

The Authority also carries commercial insurance purchased from other insurers for coverage associated with worker's compensation and employee blanket bond in the amount of \$2,000,000 and \$50,000, respectively. The Authority 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.

**WASTE AUTHORITY OF
JACKSON COUNTY
Notes to Financial Statements (Continued)
June 30, 2023 and 2022**

(10) Date of Management Evaluation

Management has evaluated subsequent events through November 10, 2023, the date on which the financial statements were available to be issued.

Required Supplementary Information

WASTE AUTHORITY OF JACKSON COUNTY
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Nine Years*
Required Supplementary Information

	2023	2022	2021
Authority's proportion of the net pension liability	0.0028380 %	(0.0010544) %	0.002567 %
Authority's proportionate share of the net pension liability	\$ 107,220	3,640	180,297
Authority's covered payroll	\$ 228,565	210,915	203,686
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	46.91 %	1.73 %	88.52 %
IPERS' net position as a percentage of the total pension liability	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.

2020	2019	2018	2017	2016	2015
0.002768 %	0.002464 %	0.002459 %	0.002405 %	0.002449 %	0.002495 %
160,266	155,937	163,813	151,372	120,996	98,944
211,830	185,202	183,566	172,021	167,784	160,672
75.66 %	84.20 %	89.24 %	88.00 %	72.11 %	61.58 %
85.45 %	83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

WASTE AUTHORITY OF JACKSON COUNTY
Schedule of Authority Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
Required Supplementary Information

	2023	2022	2021	2020
Statutorily required contribution	\$ 23,172	21,577	19,892	19,228
Contributions in relation to the statutorily required contribution	(23,172)	(21,577)	(19,892)	(19,228)
Contribution deficiency (excess)	\$ -	-	-	-
Authority's covered payroll	\$ 245,471	228,565	210,915	203,686
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

2019	2018	2017	2016	2015	2014
19,996	16,538	16,392	15,361	14,983	14,348
(19,996)	(16,538)	(16,392)	(15,361)	(14,983)	(14,348)
-	-	-	-	-	-
211,830	185,202	183,566	172,021	167,784	160,672
9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

WASTE AUTHORITY OF JACKSON COUNTY
Notes to Required Supplementary Information - Pension Liability
Years Ended June 30, 2023 and 2022

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%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

WASTE AUTHORITY OF JACKSON COUNTY
Schedule of Changes in the Authority's
Total OPEB Liability, Related Ratios and Notes
For the Last Six Years
Required Supplementary Information

	2023	2022	2021	2020
Service Cost	\$ 8,030	8,928	8,354	4,228
Interest Cost	3,151	1,794	2,020	1,710
Change in benefit terms	-	-	-	-
Difference between expected and actual experiences	1,168	(8,945)	436	25,583
Changes in assumptions	(164)	(2,081)	1,682	(7,895)
Benefit payments	(4,773)	(6,214)	(4,287)	(3,926)
Net change in total OPEB liability	7,412	(6,518)	8,205	19,700
Total OPEB liability beginning of year	71,384	77,902	69,697	49,997
Total OPEB liability end of year	\$ 78,796	71,384	77,902	69,697
Covered-employee payroll	\$ 245,471	228,565	210,915	201,765
Total OPEB liability as a percentage of covered-employee payroll	32.1%	31.2%	36.9%	34.5%

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

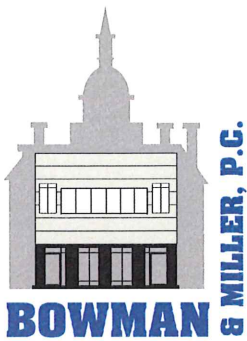
Changes in assumptions:

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

Year ended June 30, 2023	4.13%
Year ended June 30, 2022	4.09%
Year ended June 30, 2021	2.19%
Year ended June 30, 2020	2.66%
Year ended June 30, 2019	3.51%
Year ended June 30, 2018	3.87%
Year ended June 30, 2017	3.58%

2019	2018
4,239	3,178
1,926	1,555
-	(2,226)
(348)	5,509
(193)	(193)
(2,467)	(2,467)
3,157	5,356
46,840	41,484
49,997	46,840
171,885	171,885
29.1%	27.3%

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



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

To the Members of the Waste Authority of Jackson County:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Waste Authority of Jackson County as of and for the years ended June 30, 2023 and 2022, and the related Notes to Financial Statements which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Waste Authority of Jackson County'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 statements, but not for the purpose of expressing an opinion on the effectiveness of the Waste Authority of Jackson County's internal control. Accordingly, we do not express an opinion on the effectiveness of the Waste Authority of Jackson County'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 certain deficiencies in internal control we consider to be material weaknesses and a significant deficiency.

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 Waste Authority of Jackson County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 through 2023-003 to be material weaknesses.

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 deficiency described in the accompanying Schedule of Findings as item 2023-004 to be a significant deficiency.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the Authority's operations for the years ended June 30, 2023 and 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Authority. 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.

Waste Authority of Jackson County's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Waste Authority of Jackson County 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.

Bowman and Miller, P.C.

Marshalltown, Iowa
November 10, 2023

WASTE AUTHORITY OF JACKSON COUNTY
Schedule of Findings (Continued)
Years ended June 30, 2023 and 2022

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

2023-001 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 maximize the accuracy of the Authority's financial statements.

Condition – One person has primary control over opening mail, preparing deposits and recording receipts.

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

Effect – Inadequate segregation of duties could adversely affect the Authority'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 Authority should review its control activities to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including Authority officials.

Response – We will discuss and review internal control procedures and make changes if feasible.

Conclusion – Response accepted.

2023-002 Reconciliation of Accounts Receivable, Accounts Receivable Aging, Gate Fee Charges and Collections

Criteria – An effective internal control system provides for internal controls related to maintaining an accounts receivable aging, and reconciling gate fee charges, collections and receivables and comparing collections to deposits to ensure proper recording of receipts and the propriety of adjustments.

Condition – Although an accounts receivable aging is maintained, there is no evidence it is reconciled with gate fee charges and collection, and the accounts receivable balance on the monthly financial statements.

WASTE AUTHORITY OF JACKSON COUNTY
Schedule of Findings (Continued)
Years ended June 30, 2023 and 2022

Findings Related to the Financial Statements (Continued):

INTERNAL CONTROL DEFICIENCIES (Continued):

2023-002 Reconciliation of Accounts Receivable, Accounts Receivable Aging, Gate Fee Charges and Collections (Continued)

Cause – Policies have not been established and procedures have not been implemented to reconcile accounts receivable on the financial statements with the accounts receivable aging report, gate fees charges and collections.

Effect – This condition could result in unrecorded or misstated gate receipts, improper or unauthorized adjustments and write-offs and/or misstated account balances.

Recommendation – Procedures should be established to reconcile accounts receivable on the financial statements with the accounts receivable aging, gate fee charges and collections. The Authority or an Authority-designated person independent of the preparation of the accounts receivable reconciliations should review the reconciliations and monitor variances. The independent review of the reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

Response – We will begin reconciling gate fee charges monthly.

Conclusion – Response accepted.

2022-003 Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the Waste Authority’s financial statements.

Condition – Material amounts of payables and certain expenses were not properly recorded in the Authority’s financial statements. Adjustments were subsequently made by the Authority to properly include these amounts in the financial statements.

Cause – The Authority’s independent review of its monthly financial statements is not adequately detecting and correcting errors in the financial statements.

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

Recommendation – The Authority should implement procedures to ensure transactions are properly recorded and classified.

WASTE AUTHORITY OF JACKSON COUNTY
Schedule of Findings (Continued)
Years ended June 30, 2023 and 2022

Findings Related to the Financial Statements (Continued):

INTERNAL CONTROL DEFICIENCIES (Continued):

2023-003 Financial Reporting (Continued)

Response – We will implement proper recording of accounts payable and related expenses for the next fiscal year.

Conclusion – Response accepted.

2023-004 Payroll Records Management

Criteria – A deficiency in internal control over payroll records management exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the payroll records on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the authority's payroll.

Conditions – During the audit, we identified the following conditions:

- 1) Employees who elect to not have health insurance through the Authority are paid a quarterly stipend. During the year, one employee's health insurance stipend was reported to IPERS as covered wages when it should not have been. Also, one employee received two quarterly stipend payments. These payments were subject to IPERS withholding and match by the Authority, when it should not have been. Per Iowa Code Section 495-6.3(8) *Other special payment arrangements*, "Wages do not include amounts paid pursuant to special arrangements between an employer and employee whereby the employer pays increased wages... this limitation includes, but is not limited to, the practice of increasing an employee's wages by the employer's share of health care costs and having the employee reimburse the employer a third-party provider for such health care costs."
- 2) During the year, the Authority paid \$758.38 of backpay to employees. The wages were correctly subject to IPERS withholding. However, the wages were not reported as covered wages to IPERS.

Cause – Policies and procedures have not been established to require proper communication and review of the payroll records to ensure proper payroll procedures are followed.

Effect – Lack of policies and procedures requiring review of IPERS requirements resulted in improper IPERS covered wages during the year.

Recommendation – The Authority should implement procedures to ensure proper IPERS wages are reported, as well as contact IPERS regarding needed corrective measures.

Response – We implemented a new review program in March to address these issues.

WASTE AUTHORITY OF JACKSON COUNTY
Schedule of Findings (Continued)
Years ended June 30, 2023 and 2022

Findings Related to the Financial Statements (Continued):

INTERNAL CONTROL DEFICIENCIES (Continued):

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

- 2023-A Questionable Expenses – No expenses we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- 2023-B Travel Expense – No expenditures of money for travel expenses of spouses of Authority officials or employees were noted.
- 2023-C Restricted Donor Activity – No transactions were noted between the Authority, Authority officials, Authority employees and restricted donors in compliance with Chapter 65B of the Code of Iowa.
- 2023-D Authority Minutes – No transactions were found that we believe should have been approved in the Authority minutes but were not.
- 2023-E Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and Chapter 12C of the Code of Iowa were noted.

**WASTE AUTHORITY
OF JACKSON COUNTY**

Staff

This audit was performed by:

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

Personnel:

Taylor G. Johnson, CPA, Partner