

AT A MEETING OF THE NEW RIVER RESOURCE AUTHORITY
HELD ON WEDNESDAY, NOVEMBER 15, 2023, 12:00 NOON,
NRRA ADMINISTRATION BUILDING,
DUBLIN, VIRGINIA:

PRESENT: Mr. Paul Baker, Chairman
Mr. Steve Fijalkowski, Vice-Chairman
Mr. Robert Asbury, Secretary
Mr. Dirk Compton, Member
Mr. Barry Helms, Member
Mr. Tye Kirkner, Member
Mr. Tom Starnes, Member
Mr. Jonathan Sweet, Member

STAFF: Mr. Joseph Levine, NRRA Executive Director
Ms. Marjorie Atkins, NRRA Recording Secretary
Mr. Brandon Atkins, Compliance Assistant
Mr. Dave Rupe, Administrative Manager
Ms. Monica Furrow, Administrative Assistant

GUESTS: Mr. Scott Wickham, Robinson Farmer Cox Associates
Ms. Edith Hampton, Town of Dublin
Mr. Andrew Monk, Thompson & Litton

Chairman Baker called the meeting to order.

The motion to approve the Agenda of the November 15, 2023, meeting was made by Mr. Sweet. The motion was seconded by Mr. Helms and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

The motion to approve the minutes of the October 25, 2023, Board meeting was made by Mr. Fijalkowski. The motion was seconded by Mr. Starnes and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

New Business and Administrative Items included Items of Consent.

The Transaction By Vendor Report for the month of October 2023 was included in the agenda.

The motion to approve the Transaction By Vendor Report for October 2023 was made by Mr. Starnes. The motion was seconded by Mr. Compton and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

The draft Financial Statement for the month ending October 31, 2023, was presented.

The motion to approve the draft Financial Statements as of October 31, 2023, as presented, was made by Mr. Helms. The motion was seconded by Mr. Fijalkowski and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

Mr. Scott Wickham with Robinson Farmer Cox Associates presented the FY 2022/2023 Financial Report. Authority staff did a great job uploading files, it was a very efficient process. It was a very, very clean audit. Mr. Wickham reviewed a handout "New River Resource Authority Audit Presentation" dated November 15, 2023. (A copy of the handout is attached to these minutes.) Page 1 was reviewed, and it was noted that investments included did not include funds in financial assurance. Five-year analysis reflected that expenses had increased by 14.12% but year 2019 was audited by a different firm and two significant estimates were made that Mr. Wickham disagreed. Mr. Wickham explained the difference between accounting standards and engineering when estimating financial assurance amounts. Accounting method calculations assume liability is incurred when trash has filled the landfill cell. Engineering/DEQ guidelines place the liability on the Authority when the cell is opened. (DEQ financial assurance requirement for NRRA was \$14 million; auditor estimate \$11.1 million.) It was noted tonnage at scales was down but the difference in revenue was offset by the sale of carbon credits. In upcoming changes in audit requirements, employees' total balance of sick leave hours will be considered a liability. Mr. Wickham stated this would not have a significant impact on the Authority.

The motion to accept the Fiscal Year 2022/2023 audit was made by Mr. Helms. The motion was seconded by Mr. Asbury and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

A proposed 2024 Board meeting schedule was included in the agenda package.

Wednesday	January 17, 2024
Wednesday	February 28, 2024
Wednesday	March 27, 2024
Wednesday	April 24, 2024
Wednesday	May 22, 2024
Wednesday	June 5, 2024
Wednesday	July 24, 2024
Wednesday	August 28, 2024
Wednesday	September 25, 2024
Wednesday	October 23, 2024
Wednesday	November 13, 2024
Wednesday	December 4, 2024

The motion to approve the 2024 Board meeting schedule was made by Mr. Starnes. The motion was seconded by Mr. Fijalkowski and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

Mr. Estes discussed proposed revisions to Personnel Policy **5.6 Leave Without Pay** and the addition of **Policy 5.6.a. Absentee Policy/Job Abandonment**. Mr. Estes noted that the current Leave Without Pay policy was vague and after Covid, people are not showing up for work. The Authority needs to find ways to encourage people to bank their leave and to have some disciplinary function for job abandonment or going on leave without pay for multiple days. This led to rewriting the Leave Without Pay Policy and the addition of the Absentee Policy/Job Abandonment policy. The proposed changes to the policies were reviewed with Tina Stevens, with VRSA and with Mr. Fijalkowski, the Board's HR Liaison.

5.6.a. Absentee Policy/Job Abandonment

Employees who have five consecutive business days of unexcused absences will be considered to have abandoned their position and resigned their employment from the Authority. For purposes of Section 5.6, "unexcused absences" means not providing appropriate notice of leave or leave requests as required under employment policies or not providing as requested medical documentation of illness preventing work duties to be performed or otherwise not communicating to the Authority that the employee will be absent from work.

5.6.b. Leave Without Pay

It is a matter of policy that no employee may enter into a leave without pay status, except as provided in this Section. In exceptional circumstances, for a pre-determined period not to exceed five consecutive business days, and when other leave balances are exhausted, the Executive Director may grant leave without pay, consistent with the provisions of this and other employment policies. After more than five days of leave without pay during a calendar year, an employee will be terminated unless the Executive Director determines that there is good cause shown for the employee to be retained. Annual and sick leave will not be earned for any workweek in which the employee is on leave without pay status. Employees who are on leave without pay during a pay period shall not earn any paid leave for that pay period and no contributions will be made on behalf of the employee to retirement, health insurance or other benefit plans, or as otherwise consistent with the terms of such policies.

Mr. Starnes and the Board concurred that the Authority staff should review policy **5.7 Court Leave**. Mr. Starnes noted that current policy stated employees on leave for court should report to work if released from court duties during normal working hours should report to work if they can report at least one hour prior to the end of their scheduled hours.

Mr. Helms requested that policy **5.5. A. Sick Leave (For Employees in Plan 1 or Plan 2 VRS)** regarding sick leave accumulation be reviewed. Current policy states that employees in good standing will be paid twenty-five percent of the value of unused sick leave up to an amount of two thousand five hundred dollars upon termination. Staff will review and present updated policy for consideration at the January 2024 meeting.

The motion to approve the proposed revisions to **Policy 5.6.b. Leave Without Pay** and the addition of **Policy 5.6.a. Absentee Policy/Job Abandonment** was made by Mr. Compton. The motion was seconded by Mr. Sweet and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

Without objection, Chairman Baker designated that the December 6, 2023, meeting would be a Budget Committee meeting.

Mr. Levine presented the Executive Director's report. Revenues were 7% above projections; expenses were 0.5% below projections. 15,008.34 tons of waste was managed in October. October 27, Marjorie Atkins, Dave Rupe, and Monica Furrow attended the Woods Rogers Vandeventer Black Labor Law Seminar in Roanoke. On October 30, the new Caterpillar 336-8-CF12 arrived. On November 3, Mark Lutz from SCS Global was on site performing Climate Action Reserve carbon credit verification. A list of equipment proposed to be sold at auction this fiscal year was included in the report.

Mr. Levine presented the Engineering Section of the Agenda.

Mr. Monk reported storm water sample results have been received and submitted to DEQ.

The motion to adjourn was made by Mr. Helms, seconded by Mr. Compton, and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Helms	<u>yes</u>	Mr. Baker	<u>yes</u>

The meeting adjourned at 12:25 pm.

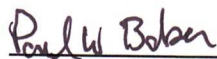
The next regularly scheduled meeting of the Authority Board is Wednesday, January 17, 2024, 12:00, (NOON), at 7100 Cloyd's Mountain Road.

Respectfully Submitted,

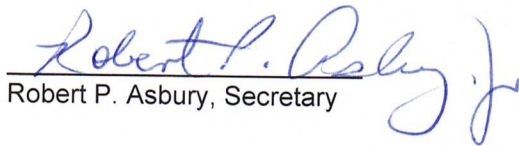


Marjorie W. Atkins
Recording Secretary

Approved at 1/17/2024 Board Meeting.



Paul W. Baker, Chairman



Robert P. Asbury, Secretary

New River Resource Authority

Audit Presentation

November 15, 2023

Robinson, Farmer, Cox Associates, Certified Public Accountants, LLC

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NEW RIVER RESOURCE AUTHORITY
AUDIT PRESENTATION
FISCAL YEAR ENDED JUNE 30, 2023

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New River Resource Authority
 Brief Analysis - November 15, 2023

	2019	2020	2021	2022	2023	Annualized Growth Rates
Cash	\$ 12,803,904	\$ 14,105,128	\$ 12,404,324	\$ 10,796,721	\$ 8,521,119	-9.68%
Investments	2,036,686	2,065,382	2,057,522	1,956,774	2,360,726	3.76%
Total	\$ 14,840,590	\$ 16,170,510	\$ 14,461,846	\$ 12,753,495	\$ 10,881,845	-7.46%
Unrestricted Net Position	\$ 15,816,693	\$ 15,971,490	\$ 14,820,971	\$ 11,265,167	\$ 12,906,096	-4.96%
Operating Revenues	\$ 5,412,597	\$ 5,069,301	\$ 7,086,184	\$ 6,519,476	\$ 6,614,837	5.14%
Operating Expenses	3,422,065	5,445,540	5,424,406	5,869,852	5,803,876	14.12%
Net Operating Income	1,990,532	(376,239)	1,661,778	649,624	810,961	



Communication with Those Charged with Governance

To the Board of Directors
New River Resource Authority
Dublin, Virginia

We have audited the financial statements of the business-type activities of New River Resource Authority for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New River Resource Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

Management's estimate of the depreciation expense is based on the straight-line method and historical data. We evaluated the methods, assumptions, and data used to develop the depreciation.

Management's estimates of the net pension liability and net OPEB liabilities are based on the entry age actuarial cost method. We evaluated the methods, assumptions, and data used to develop the liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the liability for landfill closure and post-closure monitoring is based on established guidelines and experience. We evaluated the methods, assumptions, and data used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has been provided the proposed audit adjustments and has posted same as applicable.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 23, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board and management of New River Resource Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Robinson, James, Cox Associates

Blacksburg, Virginia
October 23, 2023



Independent Accountants' Report

Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

We have examined management of New River Resource Authority's assertion that the census data reported to the Virginia Retirement System by New River Resource Authority during the year ended June 30, 2023, were complete and accurate based on the criteria set forth by the Virginia Retirement System and the Board of Trustees' plan provisions as mandated in §51.1-136 of the Code of Virginia. New River Resource Authority's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the New River Resource Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion that the census data reported to the Virginia Retirement System by the New River Resource Authority during the year ended June 30, 2023, were complete and accurate based on the criteria set forth by the Virginia Retirement System and the Board of Trustees' plan provisions as mandated in §51.1-136 of the Code of Virginia, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Auditor of Public Accounts of the Commonwealth of Virginia and the New River Resource Authority's management and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
September 25, 2023

cc: New River Resource Authority

Appendix A

We identified one control environment during this review for which New River Resource Authority was responsible.

The following table reflects the population size and sample size for each procedure performed over the control environment for which New River Resource Authority was responsible:

Required Audit Procedure	Population Size	Sample Size (1)	Risks and Other Considerations Used to Determine Sample Size
Review of Census Data Elements *	21	3	No risk identified - see note below for documentation of sample size
Review of Eligibility of Newly Enrolled Members Reported to the VRS **	N/A	N/A	Not tested under alternate testing
Review of Monthly myVRS Navigator Contribution Confirmation Reconciliations ***	N/A	N/A	Not tested under alternate testing
Review of myVRS Navigator System Access ****	2	2	No risk identified - tested 100% of the population based on cost/benefit analysis

*Asterisks in above table: Refer to corresponding number of asterisks in the Audit Specifications for the applicable audit procedures.

(1) Sample sizes are based on a 5% tolerable rate and approximately a 75% confidence level for populations over 250. Sample sizes for populations under 250 are based on a percentage of the population which is not less than 10%. Prior history, staff knowledge of VRS requirements, etc. was factored into determining sample size.

Upcoming Pronouncements:

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.



NRRA
PUBLIC COMMENT
REGISTRATION
NOVEMBER 15, 2023

Please register below if you wish to speak during the “Public Comment” portion of the Agenda. Speakers are limited to five minutes.

NAME: _____ **ADDRESS:** _____ **PHONE OR EMAIL:** _____

1. _____

2. _____

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