

AT A MEETING OF THE NEW RIVER RESOURCE AUTHORITY
HELD ON WEDNESDAY, NOVEMBER 12, 2025, AT NOON,
NRRA ADMINISTRATION BUILDING,
DUBLIN, VIRGINIA:

PRESENT: Mr. Steve Fijalkowski, Chairman
Mr. Tom Starnes, Vice-Chairman
Mr. Dirk Compton, Secretary
Mr. Robert Asbury, Member
Mr. Paul Baker, Member
Ms. Debbie Lyons, Member
Mr. Mike Mooney, Member

ABSENT: Mr. Barry Helms, Member

STAFF: Mr. Joseph Levine, NRRA Executive Director
Ms. Monica Furrow, NRRA Assistant Secretary
Mr. Howard Estes, NRRA Legal Counsel
Mr. Ike Snider
Mr. Adam Slaughter
Mr. Brandon Atkins
Mr. Nate Hurst
Mr. Isaac Slade Wall

GUESTS: Mr. Adam Murray, Thompson & Litton, Inc.
Mr. Scott Wickham, Robinson Farmer Cox
Mr. Jake White, Labella Associates

I. Call to Order and Roll Call:

Chairman Fijalkowski called the meeting to order. An Invocation and Pledge of Allegiance followed.

II. Approval of November 12, 2025, Agenda:

The motion to approve the November 12, 2025, Agenda as was made by Mr. Baker. The motion was seconded by Mr. Asbury and approved by unanimous vote of the Authority Board.

III. Employee Recognition

Mr. Levine recognized Mr. Josh Owens for 15 years of service with the Authority.

IV. Approval of Meeting Minutes October 22, 2025:

The motion to approve the October 22, 2025, Budget Committee minutes was made by Mr. Baker. The motion was seconded by Ms. Lyons and approved by unanimous vote of the Budget Committee.

The motion to approve the October 22, 2025, Board Meeting minutes as amended to change Steve Gillispie to Seth Gillispie and the motion to adjourn the October board meeting was made by Mr. Baker and not Mr. Asbury. The motion was seconded by Mr. Mooney and approved with six members approving and one member abstaining.

V. Old Business:

There was no Old Business to discuss.

VI. New Business:

A. Items of Vote:

1. Transaction by Vendor Report:

The Transaction by Vendor Report for the month of October 2025 was presented.

The motion to approve the Transaction by Vendor Report for the month of October 2025 was made by Mr. Starnes. The motion was seconded by Mr. Compton and approved by a recorded roll-call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Mooney	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Fijalkowski	<u>yes</u>
Ms. Lyons	<u>yes</u>		

2. Draft Financial Statements:

The Draft Financial Statements as of October 31, 2025, were presented.

The motion to approve the Draft Financial Statements as of October 31, 2025, was made by Mr. Asbury. The motion was seconded by Mr. Starnes and approved by a roll-call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Mooney	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Fijalkowski	<u>yes</u>
Ms. Lyons	<u>yes</u>		

B. Administrative Items:

1. FY 24/25 Audit Presentation

Mr. Scott Wickham from Robinson Farmer and Cox gave the audit presentation. A copy of the presentation is included with these minutes.

Mr. Wickham referenced the Financial Report for the New River Resource Authority.

Page 2- Independent Auditors' Report, the Authority received an unmodified, clean opinion. The Authority did GASB 101 for Compensated Absences.

Pages 5 through 10- Management Discussion and Analysis, provides an overview of the Authority's financial activities for the year ending June 30, 2025.

Page 11- NRRA Statement of Net Position at June 30, 2025, this report includes assets, net investments in capital assets, liabilities, deferred inflows of resources and the net position at the bottom which is essentially the net worth if the Authority.

Page 13- Statement of Cash Flows, breaks down the operating activities of the Authority which is money from waste coming in across the scales.

Page 52- Summary of Schedule of Revenues, Expenses, and Changes in Net Position- Unaudited For the Years Ended June 30, 2016, through June 30, 2025, this shows a 10 year trend of financial activities of the Authority.

Page 53 and 54- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters on an Audit of Financial Statements Performed in accordance with Government Auditing Standards, Mr. Wickham noted earlier that the Authority received a clean report.

Mr. Wickham referenced the "Audit Presentation" handout dated November 12, 2025.

Page 1- Brief Analysis, provided a five-year summary (2021-2025). Mr. Wickham stated that the Authority is still in a very positive position.

Pages 2 and 3- Communication with Those Charged with Governance, reviewed the significance of the audit including information regarding depreciation, net pension liability, estimated and evaluations of the liability for landfill closure monitoring. Mr. Wickham noted that staff did a great job of getting information to the auditors ahead of time.

Pages 4 and 5- Independent Accountants' Report, required auditors by the State, to test VRS data submitted through the online system. Mr. Wickham noted there were no issues found.

Pages 6, 7, and 8- Summary of Upcoming Pronouncements, Mr. Wickam stated that he does not believe that the changes will impact the Authority.

Mr. Wickam noted that the audit process went very well, and staff did well in giving the auditors the information on time.

The motion to accept the results of the Audit was made by Mr. Asbury. The motion was seconded by Mr. Compton and approved by a roll-call vote of the Authority Board as follows:

Mr. Asbury	<u>yes</u>	Mr. Mooney	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Fijalkowski	<u>yes</u>
Ms. Lyons	<u>yes</u>		

2. Labella Associates Presentation

Mr. Jake White from Labella Associates gave a presentation regarding PFAS. A copy of the presentation is included with these minutes.

C. Reports:

1. Executive Director Report:

The Executive Director's Report for September was included in the Agenda package.

Mr. Levine presented the Executive Director's Report. Included in the report is the waste stream for October 2025 and an operational summary. In summary of the balance sheet, revenues are 9.9% above projections and expenses are 0.6% below to-date. A total of 25,947.65 tons of waste was managed in October 2025. On October 21, Sherry Johnson and Bill Ratcliffe presented at Pulaski County Ag Day. On October 29, Todd Fowler and Rebecca Wright from VDEQ performed an inspection. On November 3, Financial Assurance estimates were submitted to VDEQ.

2. Engineering:

Mr. Levine presented the Engineering section of the Agenda.

Mr. Jake White from Labella Associates reported that groundwater samples at the Ingles Mountain and Cloyd's Mountain landfill came back with good results.

Mr. Adam Murray from Thompson and Litton reported that stormwater samples have yet to be obtained.

VII. Public Comments:

The Chairman invited Public Comments.

No comments were presented.

VIII Adjourn:

The motion to adjourn the meeting was made by Mr. Baker. The motion was seconded by Mr. Mooney and approved by unanimous vote of the Authority Board.

With no further business, the meeting adjourned at 12:56 p.m.

The next scheduled meeting of the Authority Board is Wednesday, January 21, 2026, 12:00, (NOON), at 7100 Cloyd's Mountain Road Dublin, VA 24084.

Respectfully Submitted,

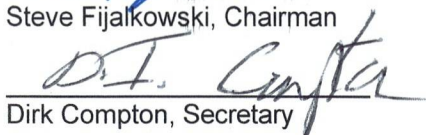


Monica Furrow,
Assistant Secretary

Approved at November 12, 2025 Board Meeting.



Steve Fijalkowski, Chairman



Dirk Compton, Secretary

NEW RIVER RESOURCE AUTHORITY
Balance Sheet
As of October 31, 2025

	Oct 31, 25
ASSETS	
Current Assets	
Checking/Savings	
100.07 FLEXIBLE SPENDING ACCT	22,706.38
100.08 CASH VRS UNFUNDED LIAB	452,164.82
100.10 NBB O&M	14,367.82
100.11 ACCOUNTS RECEIVABLE	5.00
100.12 NEW- PETTY CASH	1,392.95
100.14 NEW OPERATING NBB	813,758.04
100.16 NEW FLEXIBLE SPENDING	24,791.32
107.01 RESERVE FUNDS-TRUST ACCT	9,649,536.65
108.01 NBB FINANCIAL ASSURANCE	12,856,331.71
110.01 CASH - ENVIR FUND INVEST	1,080,703.35
111.01 INGLES ENVIR FUND INVES	1,086,321.72
Total Checking/Savings	26,002,079.76
Accounts Receivable	
190.20 ACCOUNTS RECEIVABLE	539,074.43
Total Accounts Receivable	539,074.43
Other Current Assets	
180 A/R	-101,241.57
192 DEF OUTFLOWS-PENSION	405,744.00
192 DEF OUTFLOW RESO EXP VS AC	337.18
DEFERRED OUTFLOWS-OPEB	26,994.00
Total Other Current Assets	331,833.61
Total Current Assets	26,872,987.80
Fixed Assets	
150.00 LEASED ASETS	1,628,763.00
151.00 AMORTIZATION OF LEASED	-504,101.00
Total Fixed Assets	1,124,662.00
Other Assets	
120 LAND	1,087,105.64
125 LANDFILL & FACILITIES	46,758,610.47
126 ACC DEP LANDFILL & FACILI	-32,838,218.91
130 EQUIPMENT	8,287,344.48
131 ACC DEP EQUIPMENT	-5,187,703.00
145 VEHICLES	239,899.47
146 ACC DEPR VEHICLES	-236,060.00
Total Other Assets	18,110,978.15
TOTAL ASSETS	46,108,627.95

NEW RIVER RESOURCE AUTHORITY
Balance Sheet
As of October 31, 2025

	Oct 31, 25
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 INTEREST PAYABLE	12,190.61
203 ACCOUNTS PAYABLE	-2,445.08
207 SOCIAL SECURITY PAYABLE	2,638.62
208 ACCOUNTS PAYABLE	17,470.46
208 STATE WITHHELD	455.78
209 MEDICARE PAYABLE	609.27
211 ACCRUED PAYROLL	40,227.96
212 457 PLAN	29,118.09
215 ACCRUED ANNUAL LEAVE	333,689.67
216 PR TAX DUE ACCRUED LEAVE	25,527.05
219 ACCRUED FLEX SPENDING	-749.89
240 CLOSURE COST LIABILITY	10,004,341.00
241 DEFER INFLOW OF RES-PENSION	119,273.00
241.01 LOAN PAYABLE-HAUL TRUCK	1,153,947.04
243 DEFER INFLOW OF RES-OPEB	20,160.00
244 VRS - NET PENSION LIABILITY	605,389.00
244.00 VRS-NET PENSION LIABILIT	180,216.00
245 VRS OPEN LIABILITY (HIC)	-13,001.00
246 VRS - OPER LIABILITY (GLI)	67,848.00
280.00 LEASE LIABILITY	420,340.88
Payroll Liabilities	1,879.64
Total Other Current Liabilities	13,019,126.10
Total Current Liabilities	13,019,126.10
Long Term Liabilities	
240.00	315,572.00
Total Long Term Liabilities	315,572.00
Total Liabilities	13,334,698.10
Equity	
318 RETAINED EARNINGS	28,514,046.09
319 UNRESTRICTED NET ASSET	4,165,047.20
Net Income	94,836.56
Total Equity	32,773,929.85
TOTAL LIABILITIES & EQUITY	46,108,627.95

NEW RIVER RESOURCE AUTHORITY
PROFIT LOSS BUDGET PERFORMANCE
OCTOBER 2025

DRAFT

	OCT 2025	JULY TO OCT 2025	Annual Budget	Budget Balance	% Budget	% YTD (33.3)
Revenue:					33.30%	
402 REVENUE - PULASKI COUNTY	65,467.64	278,085.02	737,100.00	459,014.98	37.7%	4.4%
403 REVENUE - RADFORD CITY	13,457.70	55,536.10	175,560.00	120,023.90	31.6%	-1.7%
404 REVENUE - DUBLIN TOWN	1,941.60	3,760.32	18,200.00	14,439.68	20.7%	-12.6%
405 REVENUE - GILES COUNTY	34,648.72	145,692.32	342,840.00	197,147.68	42.5%	9.2%
406 REVENUE MSW - MRSWA	165,388.56	714,094.80	2,134,600.00	1,420,505.20	33.5%	0.2%
410 INTEREST INCOME/DIVIDEND INCOME	49,260.15	334,624.00	700,000.00	365,376.00	47.8%	14.5%
414 REVENUE - NON-MEMBER	401,785.19	990,134.90	1,685,310.00	695,175.10	58.8%	25.5%
415 REVENUE - MISC. SALES	645.40	3,356.00	50,000.00	46,644.00	6.7%	-26.6%
498 GAS TO ENERGY REVENUE	13,105.96	33,412.89	75,000.00	41,587.11	44.6%	11.3%
Total Operating Revenue	745,700.92	2,558,696.35	5,918,610.00	3,359,913.65	43.2%	9.9%
Expense:						
500.01 BOARD COMPENSATION	3,400.00	13,600.00	40,800.00	27,200.00	33.3%	0.0%
500.02 BOARD EXPENSES	931.54	1,683.16	3,000.00	1,316.84	56.1%	22.8%
501.05 SALARIES & WAGES F/T	106,587.14	261,929.66	660,000.00	398,070.34	39.7%	6.4%
501.15 SALARIES & WAGES O/T	370.08	370.08	1,000.00	629.92	37.0%	3.7%
502.05 SALARIES & WAGES F/T	135,179.62	410,745.43	1,200,000.00	789,254.57	34.2%	0.9%
502.15 SALARIES & WAGES O/T	6,543.03	12,618.10	49,000.00	36,381.90	25.8%	-7.5%
511.00 BANK ADMIN FEES	493.53	2,789.68	5,000.00	2,210.32	55.8%	22.5%
512.00 TRUST FUND EXPENSE	2,572.74	32,743.59	0.00	(32,743.59)	0.0%	-33.3%
520.01 FICA	18,868.45	52,753.53	144,000.00	91,246.47	36.6%	3.3%
520.02 VRS RETIREMENT	16,183.48	60,173.96	150,000.00	89,826.04	40.1%	6.8%
520.03 HOSPITAL/MEDICAL	50,886.90	203,547.60	460,000.00	256,452.40	44.2%	10.9%
520.04 LIFE INSURANCE	1,821.30	7,268.92	21,000.00	13,731.08	34.6%	1.3%
520.05 VEC UNEMPLOYMENT INS	91.39	176.98	700.00	523.02	25.3%	-8.0%
520.06 WORKER COMPENSATION INS	0.00	21,831.00	24,000.00	2,169.00	91.0%	57.7%
520.07 MEDICAL EXPENSES	390.00	880.00	5,000.00	4,120.00	17.6%	-15.7%
520.08 MISCELLANEOUS BENEFITS	1,967.98	4,250.66	32,000.00	27,749.34	13.3%	-20.0%
520.10 UNIFORMS/SPECIAL CLOTH	0.00	8,550.80	6,000.00	(2,550.80)	142.5%	109.2%
520.11 DENTAL INSURANCE	2,378.57	10,606.13	25,000.00	14,393.87	42.4%	9.1%
601.01 LEGAL	1,932.00	6,175.50	50,000.00	43,824.50	12.4%	-20.9%
603.01 ENGINEERING- GENERAL	17,446.51	39,258.22	290,000.00	250,741.78	13.5%	-19.8%
603.02 ENGINEERING -SURVEYING	3,750.00	6,250.00	75,000.00	68,750.00	8.3%	-25.0%
603.03 FINANCIAL ASSURANCE	0.00	0.00	25,000.00	25,000.00	0.0%	-33.3%
604.01 ACCOUNTING	0.00	2,300.00	5,000.00	2,700.00	46.0%	12.7%
605.01 AUDITOR	0.00	0.00	15,000.00	15,000.00	0.0%	-33.3%
608.11 GW TEST & REPORT NRSWMA	0.00	3,750.00	75,000.00	71,250.00	5.0%	-28.3%
608.14 SURFACE WATER TESTING	0.00	0.00	25,000.00	25,000.00	0.0%	-33.3%
609.01 LANDFILL GAS MANAGEMENT PROGRAM	7,429.63	32,032.82	285,000.00	252,967.18	11.2%	-22.1%
630.01 DEQ PERMIT FEE	0.00	21,391.30	50,000.00	28,608.70	42.8%	9.5%
660.10 GENERAL LIABILITY	0.00	10,425.00	20,000.00	9,575.00	52.1%	18.8%
660.30 HEAVY EQUIP INSURANCE	0.00	6,122.00	15,000.00	8,878.00	40.8%	7.5%
660.40 VEHICLE INSURANCE	0.00	10,536.00	12,500.00	1,964.00	84.3%	51.0%
660.60 EMPLOYEE BOND	0.00	252.00	500.00	248.00	50.4%	17.1%
660.70 PHYSICAL PROPERTY	0.00	9,382.00	8,000.00	(1,382.00)	117.3%	84.0%
702.10 OFFICE EQUIPMENT & SUPPLIES	0.64	4,456.19	30,000.00	25,543.81	14.9%	-18.4%
702.11 INTERNET SERVICES	2,239.33	9,117.02	50,000.00	40,882.98	18.2%	-15.1%
703.10 POSTAGE	250.57	297.03	5,000.00	4,702.97	5.9%	-27.4%
705.10 TRAINING & EDUCATION	605.00	2,194.85	15,000.00	12,805.15	14.6%	-18.7%
706.10 MEETING & TRAVEL	2,326.28	3,199.26	8,000.00	4,800.74	40.0%	6.7%
708.10 DUES & ASSOC MEMBERSHPS	0.00	0.00	2,000.00	2,000.00	0.0%	-33.3%
709.10 ADVERTISEMENTS	0.00	120.00	8,000.00	7,880.00	1.5%	-31.8%
710.10 PROMOTIONS	1,792.93	16,812.93	30,000.00	13,187.07	56.0%	22.7%
751.80 ELECTRICITY	3,516.21	16,623.08	60,000.00	43,376.92	27.7%	-5.6%
752.50 COMMUNICATION SERVICES & ALARM	1,552.97	6,084.12	30,000.00	23,915.88	20.3%	-13.0%
753.81 WATER AND WASTE WATER SYSTEM	28,528.46	53,620.08	150,000.00	96,379.92	35.7%	2.4%
753.90 SCALE SERVICE	1,050.00	1,950.00	5,000.00	3,050.00	39.0%	5.7%
754.10 SUPPLIES & MAINTENANCE - GENERAL	2,791.55	21,596.86	60,000.00	38,403.14	36.0%	2.7%
754.20 HOUSE KEEPING	1,543.11	1,543.11	10,000.00	8,456.89	15.4%	-17.9%
770.10 GAS SERVICE	703.09	703.09	25,000.00	24,296.91	2.8%	-30.5%
780.10 POST CLOSURE CARE	56.09	56.09	25,000.00	24,943.91	0.2%	-33.1%
790.10 WEST FORK PROPERTY	0.00	42.02	5,000.00	4,957.98	0.8%	-32.5%
801.01 GENERAL MAINTENANCE	0.00	342.79	0.00	(342.79)	0.0%	-33.3%
802.01 BMP GENERAL	0.00	17,820.85	75,000.00	57,179.15	23.8%	-9.5%
803.01 TOOLS & SUPPLIES GENERAL	3,647.35	4,957.33	15,000.00	10,042.67	33.0%	-0.3%
805.10 GRAVEL-M.S.W. AREA	13,504.45	48,058.51	100,000.00	51,941.49	48.1%	14.8%
807.01 EQUIPMENT BUDGET	20,987.78	89,214.10	250,000.00	160,785.90	35.7%	2.4%
809.01 VEHICLE PARTS & MAINT	8,004.37	10,194.54	20,000.00	9,805.46	51.0%	17.7%

**NEW RIVER RESOURCE AUTHORITY
PROFIT LOSS BUDGET PERFORMANCE
OCTOBER 2025**

DRAFT

	OCT 2025	JULY TO OCT 2025	Annual Budget	Budget Balance	% Budget	% YTD (33.3)
810.20 HEAVY EQUIPMENT RENTAL	0.00	0.00	20,000.00	20,000.00	0.0%	-33.3%
813.02 FUELS AND FLUIDS	24,051.62	104,336.17	300,000.00	195,663.83	34.8%	1.5%
920.05 HHW CONTRACT SERVICES	10,714.46	13,100.14	40,000.00	26,899.86	32.8%	-0.5%
920.06 TIRE PROGRAM	5,947.20	25,451.10	100,000.00	74,548.90	25.5%	-7.8%
Total Operating Expenses	513,037.35	1,706,285.38	5,215,500.00	3,509,214.62	32.7%	-0.6%
Net Operating Income	232,663.57	852,410.97	703,110.00	(149,300.97)	121.2%	87.9%
Non-Operating Expenses						
847. DEPRECIATION	200,673.60	802,694.16	2,372,920.00	1,570,225.84	33.8%	0.5%
848 APPRECIATION- TRUST FUND	(1,882.50)	(45,119.75)	0.00	45,119.75		
Total Non Operating Expenses	198,791.10	757,574.41	2,372,920.00	1,615,345.59	31.9%	-1.4%
Net Income	33,872.47	94,836.56	(1,669,810.00)	(1,764,646.56)		

NEW RIVER RESOURCE AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

**NEW RIVER RESOURCE AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

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FINANCIAL SECTION

NEW RIVER RESOURCE AUTHORITY

DUBLIN, VIRGINIA

FOR THE YEAR ENDED JUNE 30, 2025

(A Governmental organization established January 15, 1987
as a tax-exempt political subdivision within the Commonwealth of Virginia)

BOARD OF DIRECTORS

Mr. Steve Fijalkowski, Chairperson
Montgomery Regional Solid Waste Authority

Mr. Thomas Starnes, Vice Chairperson
City of Radford

Mr. Dirksen Compton, Secretary
County of Pulaski

Mr. Barry Helms
Montgomery Regional Solid Waste Authority

Mr. Robert Asbury
City of Radford

Ms. Debra Lyons
Town of Dublin

Mr. Michael Mooney
County of Pulaski

Mr. Paul Baker
County of Giles

OFFICIALS

Mr. Joseph R. Levine, P.E., Executive Director



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of New River Resource Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the New River Resource Authority's basic financial statements as 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 business-type activities of New River Resource Authority, as of June 30, 2025, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New River Resource Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principles

As described in Note 14 to the financial statements, in 2025, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 New River Resource Authority'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 generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment 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 New River Resource Authority'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New River Resource Authority'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 and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other statistical information but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

Other Information (Continued)

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2025, on our consideration of New River Resource Authority's internal control over financial reporting and on 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 New River Resource 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 New River Resource Authority's internal control over financial reporting and compliance.

Robinson, Famer, Cox Associates

Blacksburg, Virginia
October 8, 2025

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

The following management discussion and analysis (MD&A) serves as an introduction to the financial statements of New River Resource Authority's financial performance and provides an overview of the Authority's financial activities for the year ended June 30, 2025. The MD&A represents management's examination and analysis of the Authority's financial condition and performance and it should be read in conjunction with the Authority's basic financial statements which immediately follow this section. The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34)*.

THE AUTHORITY AS A WHOLE

The Authority's total net position for the year ended June 30, 2025 decreased to \$32,679,084 from \$33,209,824 at June 30, 2024. Net position is composed of net investment in capital assets, restricted net position for future OPEB costs, and unrestricted net position. Net investment in capital assets for the year ended June 30, 2025 decreased to \$18,177,192 from \$19,599,101 at June 30, 2024. *Unrestricted* net position - the part of net position that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements for the year ended June 30, 2025 increased to \$14,488,891 from \$13,602,989 at June 30, 2024. This increase was expected due to a planned deposit into reserves to fund future closure and postclosure liabilities. Actual expenses did exceed initially budgeted due to increases in inflation and significant gas well monitoring expenses. Revenues exceeded budget mostly due to nonmembers sales exceeding budget by \$2,348,540.

The Authority had revenues of \$7,973,814, which was short of the expenses of \$8,504,554 resulting in a decrease to net position of (\$530,740).

Business-type Activities

The Authority operates as a "business-type activity". Business-type activities utilize the accrual basis of accounting and their statements provide both short and long-term financial information.

FINANCIAL STATEMENT PRESENTATION

The Authority is solely engaged in business-type activities and therefore its basic financial statements are comprised of two components: 1) enterprise fund financial statements and 2) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

Enterprise fund financial statements. The financial statements provide information about the Authority as a whole using the accrual basis of accounting, which is the method used by most private-sector enterprises. The report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)

FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The *Statement of Net Position* presents information on the Authority's 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources with the difference between the two reported as net position. Net position is displayed in three broad components - net investment in capital assets; restricted; and unrestricted.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave). Revenues and expenses are categorized as either operating or non-operating based upon definitions provided by current guidance. Operating revenue consists of landfill charges. Non-operating revenue consists of investment income, gains on disposals of property and equipment, and timber sales.

One of the main goals of these two financial statements is to report the Authority's net position and changes that affected net position during the fiscal year. The change in the Authority's net position is one way to measure the Authority's financial health, or financial position. Increases and decreases in net position are indicators of whether the Authority's financial health is improving or deteriorating.

The *Statement of Cash Flows* presents changes in cash equivalents, resulting from operational, financial, and investing activities. This statement presents cash receipts and cash disbursement information without consideration of the earning event, when an obligation arises, or depreciation of capital assets.

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

Other Information. In addition to the basic financial statements and accompanying notes, certain required supplementary information concerning the Authority's asset, liability, and funding of its obligation to provide pension and other post-employment benefits to its employees is located immediately following the notes to financial statements.

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**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)**

CONDENSED FINANCIAL INFORMATION

Table A presents the Condensed Statement of Net Position for the years ended June 30, 2025 and 2024. At June 30, 2025 and 2024, unrestricted net position was \$14,488,891 and \$13,602,989, respectively. Of total net position, unrestricted net position represented 44.3% and 40.9% for fiscal year 2025 and 2024, respectively.

TABLE A:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Assets		
Current assets	\$ 25,826,565	\$ 24,357,491
Noncurrent assets	19,764,481	21,743,887
Total assets	\$ 45,591,046	\$ 46,101,378
 Deferred outflows of resources	 \$ 433,075	 \$ 459,871
 Liabilities		
Current liabilities	\$ 929,156	\$ 919,334
Noncurrent liabilities	12,276,448	12,358,883
Total liabilities	\$ 13,205,604	\$ 13,278,217
 Deferred inflows of resources	 \$ 139,433	 \$ 73,208
 Net Position		
Net investment in capital assets	\$ 18,177,192	\$ 19,599,101
Restricted	13,001	7,734
Unrestricted	14,488,891	13,602,989
Total net position	\$ <u>32,679,084</u>	\$ <u>33,209,824</u>

As noted earlier, net position may serve over time as a useful indicator of an Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$32,679,084 and \$33,209,824 at June 30, 2025 and 2024, respectively. The largest portion of the Authority's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. For 2025, 55.6% of the Authority's net position is invested in capital assets. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)**

CONDENSED FINANCIAL INFORMATION (CONTINUED)

Table B presents the Condensed Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2025 and 2024.

The Authority continues to operate its regional landfill site serving private customers as well as its member jurisdictions that include Pulaski County, the Town of Dublin, the City of Radford, Giles County, and Montgomery Regional Solid Waste Authority. Operating revenues for the Authority consist of two primary categories: landfill charges and gas-to-energy proceeds.

TABLE B:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Revenues		
Operating revenues:		
Landfill charges	\$ 6,363,444	\$ 4,967,772
Gas to energy revenues	56,416	63,059
Miscellaneous	431,318	541,681
Nonoperating revenues	1,122,636	1,217,431
Total revenues	\$ <u>7,973,814</u>	\$ <u>6,789,943</u>
Expenses		
Operating expenses:		
Operations	\$ 5,424,524	\$ 4,521,189
Closure and postclosure	477,444	611,023
Depreciation	2,544,051	2,541,911
Nonoperating expenses	58,535	75,028
Total expenses	\$ <u>8,504,554</u>	\$ <u>7,749,151</u>
Change in Net Position	\$ <u>(530,740)</u>	\$ <u>(959,208)</u>

Landfill charges for fiscal year 2025 increased by 28.1% to \$6,363,444 compared to \$4,967,772 from fiscal year 2024. The Authority disposed of 222,255 tons of waste in the current fiscal year as compared to 186,526 in the prior year. Landfill charges from nonmembers significantly increased as the Joint Wythe Bland PSA started bringing their tonnage to the Authority. Further, the area incurred additional waste due to the New River flooding and related cleanup.

The Authority's operations expenses increased by 20.0% to \$5,424,524 from \$4,521,189. This increase was largely related to general inflation and the significant gas well monitoring expenses.

The Authority continues to increase its participation in environmentally conscious activities such as gas-to-energy conversions and the destruction of methane gases produced as a by-product of traditional landfill operations. The gas-to-energy program is a means to offer supplemental energy production in addition to the traditional grid, while the destruction of methane gas allows for the Authority to manage its own carbon footprint, as well as the carbon footprint of others.

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)**

CONDENSED FINANCIAL INFORMATION (CONTINUED)

During the fiscal year 2017, the Authority completed the expansion of its administration building located at its Cloyd's Mountain landfill site. The expansion of the administration building allows for the Authority to conduct its general management activities, but also provides the Authority with the opportunity to better serve the public through its public outreach events that include elementary school tours, educational presentations, and other stakeholder meetings.

CAPITAL ASSETS and LONG-TERM DEBT

Capital Assets

As of June 30, 2025, the Authority has \$19,751,480 invested in a variety of capital assets (net of accumulated depreciation), including land, landfill developments, building, equipment, and vehicles. The Authority's additions to capital assets for the current year totaled \$551,644. Depreciation expense for the year ended June 30, 2025 was \$2,544,051. Considering depreciation expense and the Authority's capital asset additions, total net investment in capital assets decreased to \$19,751,480 at June 30, 2025 from \$21,743,887 at June 30, 2024, for a total net difference of (\$1,992,407). The majority of the current year investment in capital assets was comprised of the following:

- (1) 2024 Ford F-650 mechanic truck
- (1) 2018 International flusher washer truck

Additional information on the Authority's capital assets can be found in Note 5 in the notes to the financial statements.

Long-term Obligations

As of June 30, 2025, the Authority reported total outstanding debt and obligations of \$13,106,871. These items are detailed at Note 3 of the financial statements. This total is a decrease of \$46,366 from the amounts reported as of June 30, 2024. This change is a net effect of an increase in the reported landfill closure and postclosure liabilities of \$441,563 and the decrease in financed purchases and lease liabilities due to expected principal repayments.

During fiscal year 2022, the Authority implemented GASB Statement No. 87 *Leases*, which resulted in the reclassification of capital leases to lease liabilities. During the year, the Authority also issued a new lease for the purchase of a compactor. This is described in Note 4.

Other long-term debt and obligations consist of compensated absences, net pension liability, and the net OPEB liability.

During fiscal year 2025, the Authority implemented GASB Statement No. 101, *Compensated Absences*, which resulted in an increase in accrued sick and annual leave.

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025 (CONTINUED)**

ECONOMIC FACTORS AND FUTURE BUDGETS

The Authority considers many factors when setting future fiscal year budgets and tip fees that will be charged for business-type activities. Tipping fees and interest generate the revenues that are used to establish the budget. The estimated tipping fees are based on the estimated amount of waste material disposed and/or recycled in a fiscal year. Some of the factors considered when establishing the budget include, but are not limited to:

1. Uncertainty regarding the overall climate economy
2. Member agreements
3. Past budgetary information
4. Waste disposal, recycling, and other trend analyses
5. Expansion of the open landfill
6. Capital improvement projects and costs of plant and equipment
7. Financial assurance requirements related to landfill closure and post-closure costs
8. Employee salary and benefit increases, including VRS rates
9. Overall energy and fuel costs

Some assumptions for next fiscal year budget (fiscal year 2026) will include: the operations to include disposal in Areas A, B, C, and D; operating an active landfill gas system, expansion of the active landfill gas system, closure of approximately 10 acres within the next five years, West Fork Mitigation Project, and concerns with the stability of the waste stream due to economic trends. Revenue projections for the next fiscal year will be reduced to reflect changes due to the uncertain economy. Operations expenses will increase with the trending inflation and the opening of Area D for disposal.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, ratepayers, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the resources it receives and their uses. Questions concerning this report or requests for additional information should be directed to the Executive Director, P.O. Box 1246, Dublin, Virginia 24084, telephone (540) 674-1677.

Basic Financial Statements

NEW RIVER RESOURCE AUTHORITY
STATEMENT OF NET POSITION
AT JUNE 30, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 10,142,304
Investments	2,587,426
Investments with trustee - closure/postclosure care	12,658,997
Accounts receivable - members	300,382
Accounts receivable - trade, net of allowance	137,456
Total current assets	<u>\$ 25,826,565</u>

Noncurrent Assets:

Net OPEB asset	\$ 13,001
Capital assets (net of accumulated depreciation):	
Land	1,087,106
Landfill and support facilities	14,455,165
Equipment and vehicles	3,084,547
Lease equipment	1,124,662
Total capital assets (net of accumulated depreciation/amortization)	<u>\$ 19,751,480</u>
Total noncurrent assets	<u>\$ 19,764,481</u>
Total assets	<u>\$ 45,591,046</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	\$ 406,154
OPEB related items	26,921
Total deferred outflows of resources	<u>\$ 433,075</u>

LIABILITIES

Current Liabilities:

Accounts payable - operations	\$ 15,025
Interest payable	12,191
Payroll liabilities	71,517
Lease liabilities - current portion	236,417
Landfill closure/postclosure liability - current portion	206,398
Compensated absences - current portion	35,922
Financed purchased - current portion	351,686
Total current liabilities	<u>\$ 929,156</u>

Noncurrent Liabilities:

Lease liabilities - long-term portion	\$ 183,924
Financed purchased - long-term portion	802,261
Net OPEB liability	67,848
Net pension liability	785,605
Compensated absences - long-term portion	323,295
Landfill closure/postclosure liability - long-term portion	10,113,515
Total noncurrent liabilities	<u>\$ 12,276,448</u>
Total liabilities	<u>\$ 13,205,604</u>

DEFERRED INFLOWS OF RESOURCES

Pension related items	\$ 119,273
OPEB related items	20,160
Total deferred inflows of resources	<u>\$ 139,433</u>

NET POSITION

Net investment in capital assets	\$ 18,177,192
Restricted for future OPEB costs	13,001
Unrestricted	14,488,891
Total net position	<u>\$ 32,679,084</u>

The accompanying notes to the financial statements are an integral part of this statement.

NEW RIVER RESOURCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES

Landfill charges, net of user rebates	\$ 6,363,444
Gas-to-energy	56,416
Miscellaneous	<u>431,318</u>
Total operating revenues	\$ <u>6,851,178</u>

OPERATING EXPENSES

Members' compensation	\$ 37,256
Salaries and wages	1,864,905
Employee benefits and payroll taxes	962,058
Professional services	291,111
Office expenses, postage, and advertising	79,909
Insurance	39,273
Dues, licenses, and subscriptions	24,011
Telephone and communications	21,916
Travel	8,358
Training and education	9,365
Uniforms and special clothing	11,642
Utilities	83,090
Clay and gravel	134,544
Fuels	251,311
Leachate treatment	104,822
Seeding and erosion	14,513
Tools and supplies	124,248
Equipment rental	15,567
Repairs and maintenance	411,051
Miscellaneous	5,249
Methane, ground water, and leachate monitoring	930,325
Landfill closure and postclosure expense	477,444
Depreciation/amortization	<u>2,544,051</u>

Total operating expenses **\$ 8,446,019**

Net operating income (loss) **\$ (1,594,841)**

Nonoperating revenues (expenses):

Interest and dividend income	\$ 1,122,636
Interest expense	<u>(58,535)</u>

Total nonoperating revenues (expenses) **\$ 1,064,101**

Change in Net Position **\$ (530,740)**

Net Position at beginning of year **33,209,824**

Net Position at end of year **\$ 32,679,084**

The accompanying notes to the financial statements are an integral part of this statement.

NEW RIVER RESOURCE AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Cash flows from operating activities:

Cash received from customers	\$ 6,926,049
Cash payments to suppliers for goods and services	(2,635,033)
Cash payments to employees	(2,671,753)
	<u>1,619,263</u>
Net cash provided by (used for) operating activities	\$ 1,619,263

Cash flows from capital and related financing activities:

Interest payments	\$ (68,078)
Principal payments on financed purchases	(337,190)
Lease payments	(233,308)
Purchase of capital assets	(551,644)
	<u>(1,190,220)</u>
Net cash provided by (used for) capital and related financing activities	\$ (1,190,220)

Cash flows from investing activities:

Interest income	\$ 455,328
	<u>455,328</u>
Net cash provided by (used for) investing activities	\$ 455,328

Net increase (decrease) in cash and cash equivalents **\$ 884,371**

Cash and cash equivalents at beginning of year **9,257,933**

Cash and cash equivalents at end of year **\$ 10,142,304**

Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities:

Net operating income (loss) **\$ (1,594,841)**

Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

Depreciation expense	\$ 2,544,051
Decrease (increase) in accounts receivable	74,871
Decrease (increase) in net OPEB asset	(5,267)
Decrease (increase) in deferred outflows of resources	26,796
Increase (decrease) in accounts payable	(38,847)
Increase (decrease) in payroll liabilities	22,142
Increase (decrease) in compensated absences	96,336
Increase (decrease) in net OPEB liability	(633)
Increase (decrease) in net pension liability	(13,133)
Increase (decrease) in landfill closure/postclosure liability	441,563
Increase (decrease) in deferred inflows of resources	66,225
	<u>3,214,104</u>

Total adjustments **\$ 3,214,104**

Net cash provided by (used for) operating activities **\$ 1,619,263**

The accompanying notes to the financial statements are an integral part of this statement.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

Note 1 - Summary of Significant Accounting Policies:

The financial statements of the New River Resource Authority conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies.

A. Financial Reporting Entity

New River Resource Authority ("the Authority") is a public body, politic, and corporate established on January 15, 1987, by Articles of Incorporation executed by the Board of Supervisors for the County of Pulaski and the Councils of the City of Radford and the Town of Dublin pursuant to the Virginia Water and Sewer Authorities Act. The Authority was created to acquire, finance, construct, operate, and maintain facilities for the development and operation of a landfill. Montgomery Regional Solid Waste Authority and the County of Giles entered into agreement with the Authority and became members of the Authority in July 1997 and 1998, respectively. In July 2005, the Board of the Authority entered into an agreement with the County of Floyd approving the jurisdiction as a customer of the Authority. The majority of the Authority's revenues are derived from the operation of the landfill and limited to the New River Valley and surrounding areas.

B. Financial Statement Presentation

The financial statements have been prepared in accordance with current standards.

The Authority follows the business-type activities requirements of current standards, which provides that the following sections be included in the annual financial report:

1. Management discussion and analysis
2. Basic financial statements including a statement of net position, statement of revenues, expenses and changes in net position, and a statement of cash flows
3. Notes to the financial statements
4. Required supplementary information (RSI)

The Authority does not have any component units, nor is it considered a component unit of any of the participating jurisdictions.

C. Basis of Accounting

For financial reporting purposes, the Authority is considered a special-purpose government, engaged only in business-type activities. Accordingly, the Authority's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

D. Proprietary Fund Revenue and Expense Classifications

Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions, including gifts, and other revenue sources that are defined as nonoperating revenues by current standards, such as state appropriations and interest and other investment income.

Nonoperating expenses include interest on debt related to the purchase of capital assets and losses on the disposal of capital assets. All other expenses are classified as operating expenses.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 1 - Summary of Significant Accounting Policies: (Continued)

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one type of item that qualifies for reporting in this category. Certain items related to the measurement of the pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

F. Net Position

The Statement of Net Position reports the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources as net position.

The Authority's net position is classified as follows:

Net Investment in Capital Assets - This category consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted- This category consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted - Unrestricted net position represents the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

G. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

H. 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 Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). 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.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 1 - Summary of Significant Accounting Policies: (Continued)

I. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI and HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment and infrastructure assets (support facilities, leachate facilities and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Land and construction in progress are not depreciated. The other tangible and intangible property, equipment, lease assets, and facilities are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Equipment	2-10
Support facilities	20
Leachate facilities	30
Buildings	40
Landfill assets	15-40
Landfill cell development	Over expected life of the cell
Lease equipment	10-15

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these amounts.

L. Compensated Absences

The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences reported in the financial statements consist of earned but unpaid accumulated leave balances. The liability is based on the leave accumulated as of June 30. It is the Authority's policy to permit employees to accumulate limited leave that may be earned until retirement or termination. Employees are paid for accumulated unused compensated absence balances upon the termination of their employment up to the amount of maximum carryover for the employees' years of service. Accumulated vacation leave and sick leave that is more likely than not to be liquidated with expendable available financial resources is reported as an expense and a liability of the Authority.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 1 - Summary of Significant Accounting Policies: (Continued)

L. Compensated Absences (Continued)

The Authority provides employees with sick leave, annual leave, and compensation time. These leave benefits are awarded annually based on tenure and allow for various carryover amounts also based on employee tenure. Upon termination, employees will be paid for all their annual leave and compensation time, as well as fifty percent of the sick leave balance up to a maximum of \$10,000. The Authority's compensated absence liability is based on these payouts as well as expected leave usage based on historical data.

M. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Authority's cash and cash equivalents consist of cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

N. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

O. Accounts Receivable

Primary customers of the Authority consist of the City of Radford, Town of Dublin, Pulaski Public Service Authority, Floyd, Giles Public Service Authority, and Montgomery Regional Solid Waste Authority. Accounts receivables are shown net of an allowance for doubtful accounts. The Authority calculates its allowance for uncollectible accounts using historical collection data and specific account analysis. For the year ended June 30, 2025, the allowance was \$0.

P. Accrued Landfill Closure

Accrued landfill closure represents the estimated liability for closure and postclosure costs for the landfill sites. This includes the cost of any equipment and facilities to be installed near or after the date of landfill closure for purposes of closure, the cost of landfill capping, and the cost of monitoring and maintaining the sites during the postclosure period. A total estimate of these expenses is made and updated on a periodic basis and expenses are charged to current period usage of the landfill site. Current cost of landfill closure and postclosure care is an estimate and subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

Q. Leases

The Authority leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

Lessee:

The Authority recognizes lease liabilities and intangible right-to-use lease assets (lease asset) with an initial value of \$5,000, individually or in the aggregate in the financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 1 - Summary of Significant Accounting Policies: (Continued)

Q. Leases (Continued)

Key Estimates and Judgments:

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability.

The Authority monitors changes in circumstances that would require a remeasurement or modification of its leases. The Authority will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Note 2 - Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and saving institutions holding public deposits in excess of the amount insured by FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize the Authority to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments at June 30, 2025 were held in the Authority's name by the Authority's custodial bank.

Credit Risk of Debt Securities: The Authority's rated debt investments as of June 30, 2025 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Moody's rating scale.

Authority's Rated Debt Investments' Values			
Rated Debt Investments	Fair Quality Ratings		
	AAAmf	AAA	Total
Government Agency Bonds	\$ -	\$ 14,722,558	\$ 14,722,558
Money Market Funds	523,865	-	523,865
Total Investments	\$ 523,865	\$ 14,722,558	\$ 15,246,423

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 2 - Deposits and Investments: (Continued)

Investments (Continued)

Interest Rate Risk: Listed below are the Authority's investments subject to investment rate risk and their corresponding maturity dates.

Investment Type	Investment Maturities (in years)		
	Less 1 yr	1-5 yrs	Total
Government Agency Bonds	\$ 5,929,018	\$ 8,793,540	\$ 14,722,558
Money Market Funds	523,865	-	523,865
Total	\$ 6,452,883	\$ 8,793,540	\$ 15,246,423

Fair Value Measurements: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The Authority maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date

Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices

Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The Authority has the following recurring fair value measurements as of June 30, 2025:

Investment	6/30/2025	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Government Agency Funds	\$ 14,722,558	\$ 14,722,559	\$ -	\$ -
Money Market Funds	523,865	523,865	-	-
Total	\$ 15,246,423	\$ 15,246,424	\$ -	\$ -

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 2 - Deposits and Investments: (Continued)

Restrictions on Cash, Cash Equivalents, and Investments:

The Authority holds a Letter of Credit with National Bank as a standby trust to meet the financial assurance requirements to cover estimated future closure and post-closure costs for each of the Authority's landfill sites. Due to the requirements of this letter of credit, the Authority is required to maintain bank accounts as collateral for the standby trust, with a minimum balance of 100% of the available letter of credit. As of June 30, 2025, the Authority has secured the Letter of Credit with National Bank in the amount of \$14,284,403 to cover the total estimated closure and post-closure liability of \$10,319,913. Total funds held as collateral as of June 30, 2025, were \$14,799,649, which is more than the minimum requirement by \$515,246. See Note 6 for further details of the closure and postclosure care costs liability.

In addition to the funds restricted for financial assurance purposes, the Authority has internally set aside amounts to fund an Environmental Trust in the amount of \$1,000,000 for the Ingles Mountain Landfill site and \$1,000,000 for the Cloyd's Mountain Landfill site for the purposes of self-insuring for pollution and general liability.

Note 3 - Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Authority for the year ended June 30, 2025:

	Balance July 1, 2024	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2025
Lease liabilities	\$ 653,649	\$ -	\$ (233,308)	\$ 420,341
Financed purchase	1,491,137	-	(337,190)	1,153,947
Compensated absences*	262,881	96,336	-	359,217
Landfill closure and postclosure	9,878,350	441,563	-	10,319,913
Net pension liability	798,738	596,495	(609,628)	785,605
Net OPEB liability	68,481	29,659	(30,292)	67,848
Total	\$ 13,153,236	\$ 1,164,053	\$ (1,210,418)	\$ 13,106,871

*The change in compensated absences liability is presented as a net change.

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NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 3 - Long-Term Obligations: (continued)

Details of long-term obligations:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
Direct borrowings and placements:		
Financed Purchases:		
Purchased a CAT D8 tractor for \$1,305,000 issued May 5, 2023 bearing interest at 2.15%. Principal and interest payments of \$144,550 are due semi-annually through May 2028.	\$ 808,598	\$ 258,723
Purchased a CAT 336 excavator for \$478,478 issued October 27, 2023 bearing interest at 4.69%. Principal and interest payments of \$54,122.10 are due semi-annually through October 2028.	345,349	92,963
Subtotal financed purchases	<u>\$ 1,153,947</u>	<u>\$ 351,686</u>
Other Obligations:		
Compensated absences	\$ 359,217	\$ 35,922
Landfill closure and postclosure	10,319,913	206,398
Lease liabilities	420,341	236,417
Net pension liability	785,605	-
Net OPEB liability	67,848	-
Total Other Obligations	<u>\$ 11,952,924</u>	<u>\$ 478,737</u>
Total Long-term Obligations	<u>\$ 13,106,871</u>	<u>\$ 830,423</u>

The future principal and interest payments as of June 30, 2025, were as follows:

Year Ending June 30	Financed Purchases	
	Principal	Interest
2026	\$ 351,686	\$ 45,659
2027	366,808	30,537
2028	382,584	14,761
2029	52,869	1,253
Total	<u>\$ 1,153,947</u>	<u>\$ 92,210</u>

Financed Purchases Events of Default: In event of default the financing entity will reclaim the corresponding equipment.

Note 4 - Lease Liabilities:

The Authority entered into a 7-year lease agreement as lessee for the acquisition and use of a dump truck. A lease liability was recorded in the amount of \$404,386 in a transition from being reported as a capital lease prior to implementation of the new lease standard. As of June 30, 2025, the value of the lease liability was \$159,732. The Authority is required to make semi-annual principal and interest payments of \$32,596, with an interest rate of 1.35%. In addition, the Authority will purchase the equipment for \$1 at the end of the lease term. The equipment has a 10-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$401,750 with accumulated amortization of \$167,122.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 4 - Lease Liabilities: (Continued)

In 2022, the Authority entered into a 5-year lease agreement as lessee for the acquisition and use of a landfill compactor. An initial lease liability was recorded in the amount of \$849,067 during the current year. As of June 30, 2025, the value of the lease liability was \$260,610. The Authority is required to make semi-annual principal and interest payments of \$88,019, with an interest rate of 1.32%. In addition, the Authority will purchase the equipment for \$1 at the end of the lease term. The equipment has a 10-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$1,227,013 with accumulated amortization of \$336,979.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Lease Liabilities	
	Principal	Interest
2026	\$ 236,417	\$ 5,134
2027	151,548	2,870
2028	32,376	577
Total	<u>\$ 420,341</u>	<u>\$ 8,581</u>

Note 5 - Capital Assets:

A summary of changes in capital assets for the year follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,087,106	\$ -	\$ -	\$ 1,087,106
Total capital assets, not being depreciated	<u>\$ 1,087,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,087,106</u>
Capital assets, being depreciated:				
Landfill and support facilities	\$ 46,295,955	\$ 175,802	\$ -	\$ 46,471,757
Equipment	8,252,851	27,477	(341,349)	7,938,979
Vehicles	339,849	348,365	(99,950)	588,264
Right-to-use lease equipment	1,628,763	-	-	1,628,763
Total capital assets, being depreciated	<u>\$ 56,517,418</u>	<u>\$ 551,644</u>	<u>\$ (441,299)</u>	<u>\$ 56,627,763</u>
Accumulated depreciation:				
Landfill and support facilities	\$ (30,163,874)	\$ (1,852,718)	\$ -	\$ (32,016,592)
Equipment	(5,020,428)	(511,206)	341,349	(5,190,285)
Vehicles	(335,110)	(17,251)	99,950	(252,411)
Right-to-use lease equipment	(341,225)	(162,876)	-	(504,101)
Total accumulated depreciation	<u>\$ (35,860,637)</u>	<u>\$ (2,544,051)</u>	<u>\$ 441,299</u>	<u>\$ (37,963,389)</u>
Capital assets, net	<u>\$ 21,743,887</u>	<u>\$ (1,992,407)</u>	<u>\$ -</u>	<u>\$ 19,751,480</u>

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 6 - Landfill Closure/Postclosure Liability:

The Authority currently has responsibility for closure and postclosure care related to three landfill sites and one mitigation site.

The landfills include two old landfill sites, Ingles Mountain Debris Landfill and Ingles Mountain Sanitary Landfill, which closed in 2002 and 1999, respectively. The new landfill, Cloyd's Mountain Regional Landfill, was placed in service during 1997. Open cells at the new landfill have a remaining life of approximately 4 years. State and Federal laws and regulations require that the Authority place a final cover on its landfills when closed and perform certain maintenance and monitoring functions for a minimum of thirty years after closure and ten years after closure of the debris landfill.

The stream and wetland mitigation site on the West Fork Big Indian Creek in Floyd County was constructed to offset after-the-fact impacts that occurred at the Authority's waste management facility located in Pulaski County. Permitting requirements for the site included: surface water delineations, habitat assessments, USM assessments, mitigation design and plan development, and planting plans. The site provides over 8,000 stream credits from stream restoration, enhancement, and preservation, as well as over an acre of wetland credits from wetland creation. The site will require annual monitoring through 2028, at which time it will transfer to long term stewardship status and will require an annual inspection to ensure that the conditions or the long-term maintenance plan are met.

Closure costs will be paid as closure occurs and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste. The Authority reports a portion of these closure and postclosure care costs as an operating expense in each period based on the landfill capacity of the existing cells used to date (66.49%) of the constructed cells at June 30, 2025 for the Cloyd's Mountain Regional landfill and includes anticipated effects of changes in regulations and cost estimates.

The total liability recorded at June 30, 2025, is \$10,319,913 and includes \$10,544 designated for the old Ingles Mountain Debris Landfill site (now closed); \$312,670 designated for the old Ingles Mountain Sanitary Landfill site (now closed); \$9,691,619 designated for the new Cloyd's Mountain landfill; and \$305,080 for the West Fork Mitigation bank. Total closure and postclosure cost for all opened landfill cells at Cloyd's Mountain Regional Landfill is estimated at \$13,970,365 of which 69.37% has been recognized as noted above based on usage. As such, \$4,278,746 or 30.63% of the total estimated liability will be recognized in future periods as the usage percentage increases at the Cloyd's Mountain Regional Landfill. The old landfill sites and mitigation site estimates are recorded at 100% of their total liability estimates. The Board of Directors previously collateralized these liabilities as disclosed in Note 2 on page 20.

The Authority will periodically update these closure and postclosure cost estimates and, as necessary, make revisions to reflect any significant changes in estimates due to inflation or deflation, technology, or changes in applicable laws and regulations.

Closure and postclosure care requirements are mandated under the United States Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Facility Criteria", and are subject to periodic revisions by the EPA.

Federal and state regulations require owners of municipal solid waste landfills to demonstrate financial responsibility for closure care, postclosure care and corrective costs arising from the operations of such facilities. The Authority has demonstrated financial assurance requirements for closure and postclosure care through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 7 - Pension Plan:

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees and 1.85% for sheriffs and regional jail superintendents. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees and 1.85% for sheriffs and regional jail superintendents. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	7
Inactive members:	
Vested inactive members	3
Non-vested inactive members	4
Inactive members active elsewhere in VRS	<u>0</u>
Total inactive members	7
Active members	<u>25</u>
Total covered employees	<u><u>39</u></u>

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Authority's contractually required employer contribution rate for the year ended June 30, 2025 was 7.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$125,271 and \$109,102 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$6,961 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$ 7,396 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$678,731 for the year ended June 30, 2025.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the Authority, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disables Rates projected generationally; 95% rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

All Others (Non 10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System 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 asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Asset Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		Expected arithmetic nominal return**	7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% of inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 5,155,774	\$ 4,357,036	\$ 798,738
Changes for the year:			
Service cost	\$ 114,655	\$ -	\$ 114,655
Interest	351,613	-	351,613
Differences between expected and actual experience	127,667	-	127,667
Contributions - employer	-	108,937	(108,937)
Contributions - employee	-	71,971	(71,971)
Net investment income	-	428,620	(428,620)
Benefit payments, including refunds of employee contributions	(122,693)	(122,693)	-
Administrative charges	-	(2,560)	2,560
Other changes	-	100	(100)
Net changes	\$ 471,242	\$ 484,375	\$ (13,133)
Balances at June 30, 2024	\$ 5,627,016	\$ 4,841,411	\$ 785,605

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's Net Pension Liability (Asset)	\$ 1,639,381	\$ 785,605	\$ 87,777

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the Authority recognized pension expense of \$205,517. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 270,299	\$ -
Change in assumptions	10,584	-
Net difference between projected and actual earnings on pension plan investments	-	119,273
Employer contributions subsequent to the measurement date	<u>125,271</u>	<u>-</u>
Total	<u>\$ 406,154</u>	<u>\$ 119,273</u>

\$125,271 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ 33,960
2027	138,487
2028	14,738
2029	(25,575)
2030	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 8 - Other Postemployment Benefits (OPEB) Summary:

	<u>Net OPEB Asset</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
VRS OPEB Plans:					
Group Life Insurance (GLI) Plan	\$ -	\$ 23,449	\$ 11,903	\$ 67,848	\$ 3,050
Health Insurance Credit (HIC) Plan	13,001	3,472	8,257	-	(1,569)
Totals	<u>\$ 13,001</u>	<u>\$ 26,921</u>	<u>\$ 20,160</u>	<u>\$ 67,848</u>	<u>\$ 1,481</u>

Note 9 - Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for COLA was \$9,532 as of June 30, 2025.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 9 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$7,903 and \$8,437 for the years ended June 30, 2025 and June 30, 2024, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB

At June 30, 2025, the entity reported a liability of \$67,848 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.00608% as compared to 0.00571% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense \$3,050. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,701	\$ 1,657
Net difference between projected and actual earnings on GLI OPEB plan investments	-	5,719
Change in assumptions	387	3,362
Changes in proportionate share	4,458	1,165
Employer contributions subsequent to the measurement date	<u>7,903</u>	<u>-</u>
Total	\$ <u>23,449</u>	\$ <u>11,903</u>

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 9 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)

\$7,903 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2026	\$	(1,926)
2027		1,788
2028		616
2029		1,440
2030		1,725
Thereafter		-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:

Pub-2010 Amount Weighted General Disables Rates projected generationally; 110% rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 9 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	4,196,055
Plan Fiduciary Net Position		3,080,133
GLI Net OPEB Liability (Asset)	\$	1,115,922
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		73.41%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 9 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's 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 asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 9 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Authority's proportionate share of the GLI Plan			
Net OPEB Liability	\$ 105,513	\$ 67,848	\$ 37,420

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 10 - Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 10 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Benefit Amounts (Continued)

retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	2
Active members	23
Total covered employees	<u>25</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Authority's contractually required employer contribution rate for the year ended June 30, 2025 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Authority to the HIC Plan were \$0 and \$0 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net HIC OPEB Liability (Asset)

The Authority's net HIC OPEB liability (asset) was measured as of June 30, 2024. The total HIC OPEB liability (asset) was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total HIC OPEB liability (asset) was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

**NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)**

Note 10 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 10 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's 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 asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
Expected arithmetic nominal return**			7.07%

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability (asset).

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 10 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability (Asset)

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2023	\$ 27,357	\$ 35,091	\$ (7,734)
Changes for the year:			
Service cost	\$ 474	\$ -	\$ 474
Interest	1,869	-	1,869
Differences between expected and actual experience	(4,367)	-	(4,367)
Net investment income	-	3,289	(3,289)
Benefit payments	(279)	(279)	-
Administrative expenses	-	(45)	45
Other changes	-	(1)	1
Net changes	\$ (2,303)	\$ 2,964	\$ (5,267)
Balances at June 30, 2024	\$ 25,054	\$ 38,055	\$ (13,001)

Sensitivity of the Authority's HIC Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Authority's HIC Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what the Authority's net HIC OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's Net HIC OPEB Liability (Asset)	\$ (9,552)	\$ (13,001)	\$ (15,878)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2025, the Authority recognized HIC Plan OPEB expense of \$(1,569). At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Authority's HIC Plan from the following sources:

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 10 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15	\$ 7,305
Net difference between projected and actual earnings on HIC OPEB plan investments	-	188
Change in assumptions	3,457	764
Employer contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 3,472</u>	<u>\$ 8,257</u>

\$0 reported as deferred outflows of resources related to the HIC OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability (Asset) in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2026	\$ (1,763)
2027	(625)
2028	(939)
2029	(643)
2030	(624)
Thereafter	(191)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025 (CONTINUED)

Note 11 - Related Party Transactions:

The following table summarizes fees received and accounts receivable from members of the Authority as of and for the year ended June 30, 2025:

Member	Operating Revenues	Accounts Receivable
City of Radford	\$ 161,618	\$ 13,410
Pulaski County Public Service Authority	812,031	67,642
Town of Dublin	17,256	1,366
Montgomery Regional Solid Waste Authority	1,966,861	182,333
Giles County Public Service Authority	434,938	35,631
Total	\$ 3,392,704	\$ 300,382

Note 12 - Litigation:

As of June 30, 2025, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable.

Note 13 - Risk Management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates with other localities in a public entity risk pool for its coverage of general liability, property, equipment, crime and auto insurance with the Virginia Risk Sharing Association (VRSA). Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Authority pays the pool contributions and assessments into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of the loss, deficit or depletion of all available funds, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Note 14 - Adoption of Accounting Principle:

The Authority implemented provisions of the Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The objective of Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. No restatement was required as a result of implementation.

Note 15 - Upcoming Pronouncements:

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

Required Supplementary Information

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - PENSION PLAN
FOR THE MEASUREMENT DATES OF JUNE 30, 2015 THROUGH JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 114,655	\$ 109,338	\$ 104,988	\$ 101,064	\$ 99,893	\$ 91,001	\$ 94,049	\$ 98,852	\$ 89,180	\$ 84,434
Interest	351,613	310,135	285,842	246,819	222,815	211,355	190,756	187,083	165,841	151,390
Differences between expected and actual experience	127,667	298,842	47,849	72,270	102,230	(58,080)	74,020	(110,287)	91,906	22,001
Changes in assumptions	(122,693)	(95,603)	(70,637)	121,988	(71,248)	118,402	-	(85,603)	-	-
Benefit payments	471,242	622,712	368,042	474,740	353,690	286,639	320,642	38,211	296,941	205,069
Net change in pension liability	5,155,774	4,533,062	4,165,020	3,690,280	3,336,590	3,049,951	2,729,309	2,691,098	2,394,157	2,189,088
Total pension liability - beginning	\$ 5,627,016	\$ 5,155,774	\$ 4,533,062	\$ 4,165,020	\$ 3,690,280	\$ 3,336,590	\$ 3,049,951	\$ 2,729,309	\$ 2,691,098	\$ 2,394,157
Plan Fiduciary Net Position										
Contributions - employer	\$ 108,937	\$ 95,558	\$ 80,091	\$ 78,194	\$ 67,171	\$ 63,799	\$ 82,888	\$ 82,319	\$ 82,209	\$ 74,465
Contributions - employee	71,971	62,760	58,936	57,907	57,569	54,090	51,814	51,834	49,304	44,810
Net investment income	428,620	266,155	(7,130)	852,815	57,247	185,594	185,253	263,874	38,061	85,513
Benefit payments	(122,693)	(95,603)	(70,637)	(67,401)	(71,248)	(76,039)	(38,183)	(51,834)	(49,986)	(52,756)
Administrator charges	(2,560)	(2,541)	(2,427)	(1,999)	(1,852)	(1,749)	(1,488)	(1,402)	(1,169)	(1,091)
Other	100	108	95	82	(69)	(117)	(375)	(470)	(15)	(19)
Net change in plan fiduciary net position	\$ 484,375	\$ 326,437	\$ 58,928	\$ 919,598	\$ 108,818	\$ 225,578	\$ 279,909	\$ 344,321	\$ 118,404	\$ 150,922
Plan Fiduciary Net Position - beginning	4,357,036	4,030,599	3,971,671	3,052,073	2,943,255	2,717,677	2,437,768	2,093,447	1,975,043	1,824,121
Plan Fiduciary Net Position - ending (b)	\$ 4,841,411	\$ 4,357,036	\$ 4,030,599	\$ 3,971,671	\$ 3,052,073	\$ 2,943,255	\$ 2,717,677	\$ 2,437,768	\$ 2,093,447	\$ 1,975,043
Authority's net pension liability - ending (a) - (b)	\$ 785,605	\$ 798,738	\$ 502,463	\$ 193,349	\$ 638,207	\$ 393,335	\$ 332,274	\$ 291,541	\$ 597,651	\$ 419,114
Plan fiduciary net position as a percentage of the total pension liability	86.04%	84.51%	88.92%	95.36%	82.71%	88.21%	89.11%	89.32%	77.79%	82.49%
Covered payroll	\$ 1,562,485	\$ 1,345,926	\$ 1,238,889	\$ 1,211,856	\$ 1,205,173	\$ 1,114,119	\$ 1,042,658	\$ 1,044,064	\$ 994,408	\$ 896,200
Authority's net pension liability as a percentage of covered payroll	50.28%	59.34%	40.56%	15.95%	52.96%	35.30%	31.87%	27.92%	60.10%	46.77%

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
FOR THE YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2025

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess) (1) - (2)	Employer's Covered Payroll	Contributions as a % of Covered Payroll (2)/(4)
	(1)*	(2)*	(3)	(4)	(5)
2025	\$ 125,271	\$ 125,271	\$ -	\$ 1,681,483	7.45%
2024	109,102	109,102	-	1,562,485	6.98%
2023	95,866	95,866	-	1,345,926	7.12%
2022	80,363	80,363	-	1,238,889	6.49%
2021	84,896	84,896	-	1,211,856	7.01%
2020	67,468	67,468	-	1,205,173	5.60%
2019	63,799	63,799	-	1,114,119	5.73%
2018	82,888	82,888	-	1,042,658	7.95%
2017	82,319	82,319	-	1,044,064	7.88%
2016	74,465	74,465	-	896,200	8.31%

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2025

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF AUTHORITY'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 THROUGH JUNE 30, 2024

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.00608%	\$ 67,848	\$ 1,562,485	4.34%	73.41%
2023	0.00571%	68,481	1,345,926	5.09%	69.30%
2022	0.00575%	69,236	1,238,889	5.59%	67.21%
2021	0.00586%	68,226	1,211,856	5.63%	67.45%
2020	0.00590%	97,794	1,205,173	8.11%	52.64%
2019	0.00568%	92,429	1,114,119	8.30%	52.00%
2018	0.00548%	84,000	1,042,658	8.06%	51.22%
2017	0.00566%	86,000	1,044,064	8.24%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2025

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess) (1) - (2)	Employer's Covered Payroll	Contributions as a % of Covered Payroll (2)/(4)
	(1)	(2)	(3)	(4)	(5)
2025	\$ 7,903	\$ 7,903		\$ 1,681,483	0.47%
2024	8,437	8,437	-	1,562,485	0.54%
2023	7,268	7,268	-	1,345,926	0.54%
2022	6,690	6,690	-	1,238,889	0.54%
2021	6,544	6,544	-	1,211,856	0.54%
2020	6,267	6,267	-	1,205,173	0.52%
2019	5,794	5,794	-	1,114,119	0.52%
2018	5,422	5,422	-	1,042,658	0.52%
2017	5,429	5,429	-	1,044,064	0.52%
2016	4,773	4,773	-	994,408	0.48%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE YEAR ENDED JUNE 30, 2025

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE MEASUREMENT DATES OF JUNE 30, 2018 THROUGH JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total HIC OPEB Liability							
Service cost	\$ 474	\$ 548	\$ 796	\$ 948	\$ 848	\$ 784	\$ 700
Interest	1,869	1,902	1,453	1,316	1,334	1,281	1,157
Differences between expected and actual experience	(4,367)	(2,589)	(724)	(685)	(2,451)	(1,260)	78
Changes of assumptions	-	-	5,660	(208)	-	659	-
Benefit payments	(279)	(279)	(279)	-	-	-	(335)
Net change in total HIC OPEB liability	\$ (2,303)	\$ (418)	\$ 6,906	\$ 1,371	\$ (269)	\$ 1,464	\$ 1,600
Total HIC OPEB Liability - beginning	27,357	27,775	20,869	19,498	19,767	18,303	16,703
Total HIC OPEB Liability - ending (a)	\$ 25,054	\$ 27,357	\$ 27,775	\$ 20,869	\$ 19,498	\$ 19,767	\$ 18,303
Plan Fiduciary Net Position							
Contributions - employer	\$ -	\$ -	\$ 620	\$ 605	\$ 603	\$ 557	\$ 939
Net investment income	3,289	2,045	35	6,860	500	1,491	1,494
Benefit payments	(279)	(279)	(279)	-	-	-	(335)
Administrator charges	(45)	(50)	(59)	(83)	(49)	(33)	36
Other	(1)	-	-	-	-	(2)	(171)
Net change in plan fiduciary net position	\$ 2,964	\$ 1,716	\$ 317	\$ 7,382	\$ 1,054	\$ 2,013	\$ 1,963
Plan fiduciary net position - beginning	35,091	33,375	33,058	25,676	24,622	22,609	20,646
Plan fiduciary net position - ending (b)	\$ 38,055	\$ 35,091	\$ 33,375	\$ 33,058	\$ 25,676	\$ 24,622	\$ 22,609
Authority's net HIC OPEB liability (asset) - ending (a) - (b)	\$ (13,001)	\$ (7,734)	\$ (5,600)	\$ (12,189)	\$ (6,178)	\$ (4,855)	\$ (4,306)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	151.89%	128.27%	120.16%	158.41%	131.69%	124.56%	123.53%
Covered payroll	\$ 1,562,485	\$ 1,345,926	\$ 1,238,889	\$ 1,211,856	\$ 1,205,173	\$ 1,114,119	\$ 1,042,658
Authority's net HIC OPEB liability (asset) as a percentage of covered payroll	-0.83%	-0.57%	-0.45%	-1.01%	-0.51%	-0.44%	-0.41%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE YEARS ENDED JUNE 30, 2016 THROUGH JUNE 30, 2025

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess) (1) - (2)	Employer's Covered Payroll	Contributions as a % of Covered Payroll (2)/(4)
	(1)	(2)	(3)	(4)	(5)
2025	\$ -	\$ -	\$ -	\$ 1,681,483	0.00%
2024	-	-	-	1,562,485	0.00%
2023	-	-	-	1,345,926	0.00%
2022	606	606	-	1,238,889	0.05%
2021	606	606	-	1,211,856	0.05%
2020	603	603	-	1,205,173	0.05%
2019	557	557	-	1,114,119	0.05%
2018	939	939	-	1,042,658	0.09%
2017	940	940	-	1,044,064	0.09%
2016	1,094	1,094	-	994,408	0.11%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE YEAR ENDED JUNE 30, 2025

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Other Statistical Information

Table 1

New River Resource Authority
Summary Schedule of Revenues, Expenses, and Changes in Net Position - Unaudited
For the Years Ended June 30, 2016 through June 30, 2025

Fiscal Year	Operating Revenues			Investment Income	Total Revenues	Operating Expenses			Interest Expense	Total Expenses	Change in Net Position
	Landfill Charges	Other Income	(less depreciation and landfill closure)			Landfill closure and postclosure expense	Depreciation Expense				
2025	\$ 6,363,444	\$ 487,734	\$ 1,122,636	\$ 7,973,814	\$ 5,424,524	\$ 477,444	\$ 2,544,051	\$ 58,535	\$ 8,504,554	\$ (530,740)	
2024	4,967,772	604,740	1,217,431	6,789,943	4,521,189	611,023	2,541,911	75,028	7,749,151	(959,208)	
2023	5,542,135	1,072,702	214,230	6,829,067	4,047,986	(439,761)	2,195,651	22,595	5,826,471	1,002,596	
2022	6,128,511	390,965	(393,497)	6,125,979	3,482,987	734,267	1,652,598	10,862	5,880,714	245,265	
2021	6,779,866	306,318	118,350	7,204,534	3,471,891	294,585	1,657,930	10,859	5,435,265	1,769,269	
2020	4,716,966	486,335	368,659	5,571,960	3,169,631	658,155	1,617,754	7,070	5,452,610	119,350	
2019	5,311,744	114,350	513,022	5,939,116	2,881,217	(439,961)	980,809	-	3,422,065	2,517,051	
2018	4,943,475	57,948	299,353	5,300,776	2,759,100	436,718	988,046	-	4,183,864	1,116,912	
2017	5,178,096	82,348	275,906	5,536,350	2,585,541	174,832	916,749	-	3,677,122	1,859,228	
2016	5,277,065	141,666	258,367	5,677,098	2,370,437	36,658	1,433,937	-	3,841,032	1,836,066	

Derived from the annual audited financial statements

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 Board of Directors
New River Resource Authority
Dublin, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of New River Resource Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise New River Resource Authority's basic financial statements and have issued our report thereon dated October 8, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New River Resource Authority'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 New River Resource Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of New River Resource Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Famer, Cox Associates

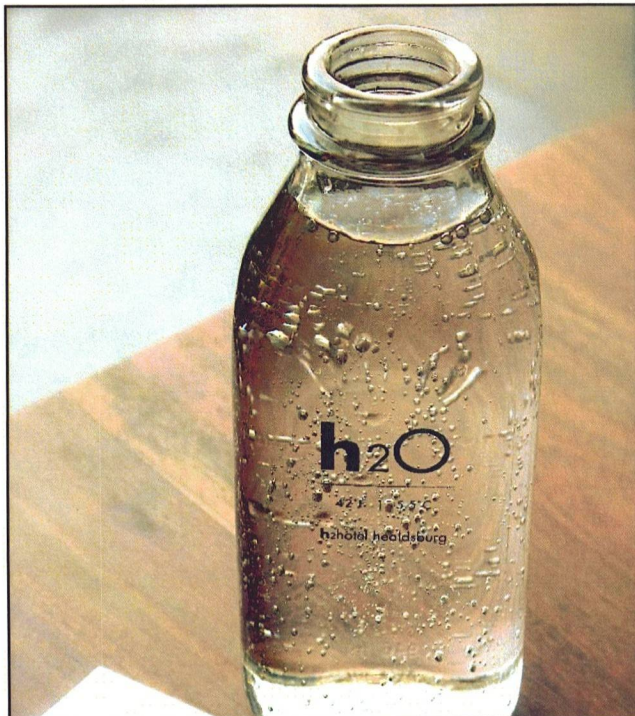
Blacksburg, Virginia
October 8, 2025



PFAS REGULATORY UPDATE NRRA BOARD MEETING

November 12, 2025

1

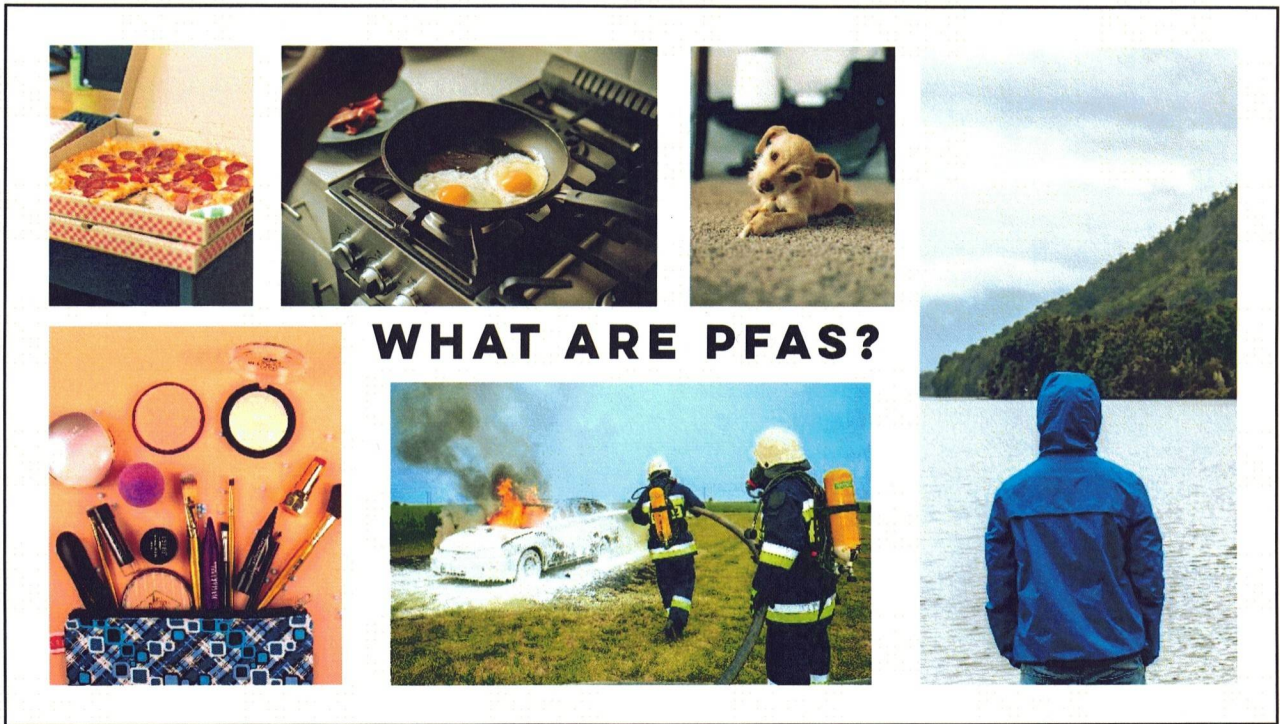


AGENDA

1. PFAS Refresher
2. Federal Legislation
3. VSWMR Amendment 9



2

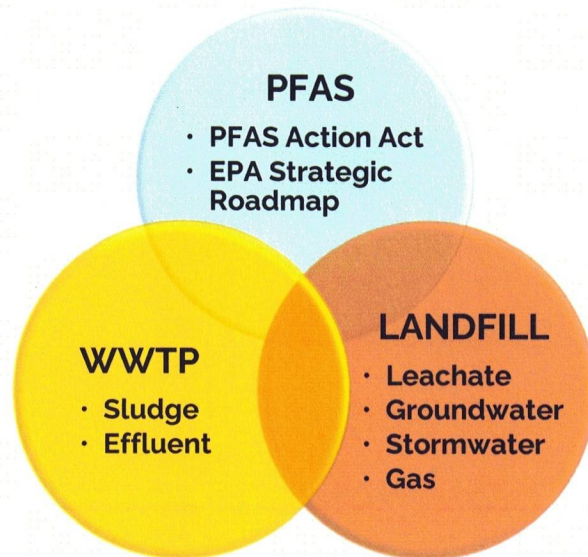


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4

EMERGING CONTAMINANTS



5



Quadruple Whammy

Solid waste facility owners and operators may be affected by the *Safe Drinking Water Act* (groundwater monitoring and remediation), *CERCLA* (acceptance of waste), *Clean Water Act* (leachate disposal to WWTPs), and *Clean Air Act* (landfill gas emissions).

PFAS ACTION ACT-2021

Setting nationwide drinking water standards under the **Safe Drinking Water Act**;

Classifying PFAS as hazardous substances under the **Comprehensive Environmental Response Compensation and Liability Act (CERCLA)**;

Setting PFAS effluent and discharge standards under the **Clean Water Act**;

Classifying PFAS as hazardous air pollutants under the **Clean Air Act**.

6

EPA'S PFAS STRATEGIC ROADMAP (2021-2024)

RESTRICT

Pursue a comprehensive approach to proactively prevent PFAS from entering **air, land, and water** at levels that can adversely impact human health and the environment.

REMEDiate

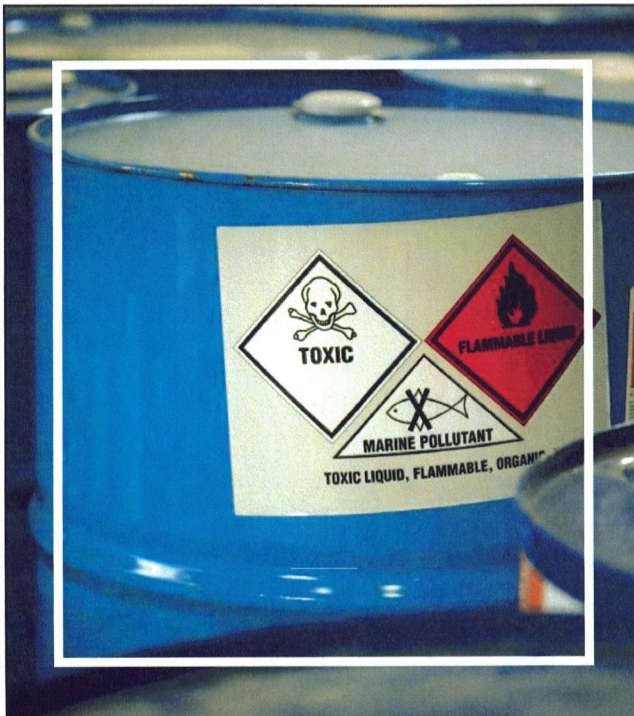
Broaden and accelerate the cleanup of PFAS contamination to protect human health and ecological systems.

RESEARCH

Invest in research, development, and innovation to increase understanding of PFAS exposures and toxicities, human health and ecological effects, and effective interventions that incorporate the best available science.



7



EPA RULE UNDER CERCLA

Hazardous substances designation of PFOA and
PFOS under CERCLA, effective July 8, 2024

- Companies will be required to report releases
- Trigger cleanups
- Requires responsible parties to pay for cleanup
- Liability for environmental damage

8

FEDERAL PROPOSED LEGISLATION

PFAS MCLS


- Withdrawal of Regulatory Determinations and removal of related provisions for 4 PFAS Substances.

DEADLINE EXTENSION


- Additional time for WWTPs to meet compliance deadlines for MCLS of PFOA and PFOS (2031)

NPDES PERMITS

- Will add PFAS to stormwater sampling for some types of facilities, potentially including landfills.



9



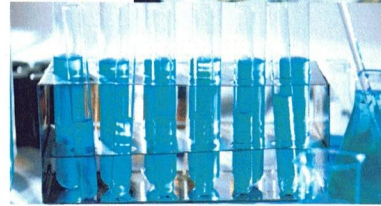
AMENDMENT 9

Virginia Solid Waste Management Regulations

10

ADDING COLUMN C LIST?

VDEQ is anticipating the need to address **emerging contaminants**, including referencing any contaminants with MCLs established by VDH regulation and updating groundwater sampling lists to add them.



11



COSTS TO LANDFILLS

PRE-TREAT LEACHATE

Partner with WWTPs

GROUNDWATER MONITORING

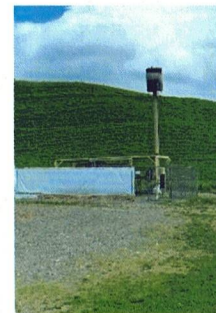
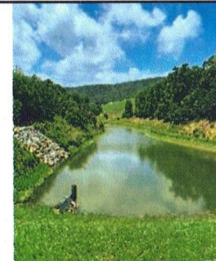
PFAS-free Dedicated Pumps
Remediation

STORMWATER MONITORING

Treat as Leachate

LANDFILL GAS

Title V Permit Renewals adding Testing



PFAS

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THANK YOU!



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NRRA
PUBLIC COMMENT
REGISTRATION
NOVEMBER 12, 2025

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

<u>NAME:</u>	<u>ADDRESS:</u>	<u>PHONE OR EMAIL:</u>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
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