



AGENDA
WEDNESDAY, NOVEMBER 16, 2022

**10:30 AM, AUDIT COMMITTEE MEETING
(HELMS, BAKER, AND ASBURY)**

**NRRA BOARD MEETING
12:00 MEETING
NEW RIVER RESOURCE AUTHORITY
DUBLIN, VIRGINIA:**

- I. CALL TO ORDER AND ROLL CALL**
- II. APPROVAL OF NOVEMBER 16, 2022, AGENDA**
- III. APPROVAL OF OCTOBER 26, 2022, MEETING MINUTES**
- IV. OLD BUSINESS:**
- V. NEW BUSINESS & ADMINISTRATIVE ITEMS:**
 - A. Items of Consent:**
 - 1. NRRA Check List
 - 2. Financial Statement
 - B. Administrative Items:**
 - 1. Annual Audit Presentation for FY 2021/2022
 - 2. 2023 Board Meeting Schedule
 - C. Reports**
 - 1. Executive Director's Report
 - 2. Engineering
- VI. PUBLIC COMMENTS**
- VII. ADJOURN**

This agenda is subject to change at the discretion of the New River Resource Authority.

AT A MEETING OF THE NEW RIVER RESOURCE AUTHORITY
HELD ON WEDNESDAY, OCTOBER 26, 2022, AT NOON,
NRRA ADMINISTRATION BUILDING,
DUBLIN, VIRGINIA:

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

STAFF: Mr. Joseph Levine, NRRA Executive Director
Ms. Marjorie Atkins, NRRA Recording Secretary
Mr. David Rupe, NRRA Administrative & Compliance Manager
Mr. Howard Estes, NRRA Legal Counsel
Ms. Sherry Johnson, NRRA Administrative Assistant

GUESTS: Mr. Andrew Monk, Thompson & Litton
Mr. Brian Tew, Thompson & Litton

Chairman Helms called the meeting to order.

The motion to approve the October 26, 2022, Agenda was made by Mr. Baker. The motion was seconded by Mr. Compton and approved by a recorded roll call vote of the Authority as follows:

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

The motion to approve the minutes of the September 28, 2022, Board Meeting, as presented, was made by Mr. Baker. The motion was seconded by Mr. Starnes and approved by a recorded roll call vote of the Authority as follows:

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

No Old Business was presented for the agenda.

New Business and Administrative Items included Items of Consent.

The Check List for the month of September 2022 was included in the Agenda.

The motion to approve the Check List for the month of September 2022 was made by Mr. Starnes. The motion was seconded by Mr. Baker and approved by a recorded roll call vote of the Authority as follows:

Mr. Asbury	<u>yes</u>	Mr. Kirkner	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Mr. Compton	<u>yes</u>	Mr. Sweet	<u>no</u>
Mr. Fijalkowski	<u>yes</u>	Mr. Helms	<u>yes</u>

The draft Financial Statement for September 2022 was presented.

The motion to approve the draft Financial Statement for September, as presented was made by Mr. Baker. The motion was seconded by Mr. Asbury and approved by a recorded roll call vote of the Authority as follows:

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

Administrative Items included: Area D Pay Request 28 and Resolutions to expand the customer area.

The motion to approve Area D Pay Request 28 in the amount of \$1,576.00 was made by Mr. Baker. The motion was seconded by Mr. Asbury and approved by a recorded roll call vote of the Authority as follows:

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

RESOLUTION OF THE NEW RIVER RESOURCE AUTHORITY ADOPTING TEMPORARY DISPOSAL AGREEMENT – SMYTH COUNTY

At a regular meeting of the Board of Directors of the New River Resource Authority, held on _____, 20__ at Noon, the Board of Directors resolved as follows:

A **RESOLUTION** authorizing an emergency, temporary disposal agreement (the "Temporary Disposal Agreement") between the New River Resource Authority ("Authority") and Smyth County, Virginia ("Smyth County") for the emergency disposal of nonhazardous solid waste:

WHEREAS, the Articles of Incorporation of the Authority provide that the Authority may, with the consent of all member jurisdictions, enter into contracts with other political subdivisions that are not members of the Authority in order to further its purposes and functions; and

WHEREAS, the Agreement of expansion of the Authority dated April 14, 1998 (the "Agreement"); provides that the Authority is to be used only for the disposal of waste in the member jurisdictions and only such areas outside of those geographical limits as the governing bodies of the member jurisdictions may unanimously agree; and

WHEREAS pursuant to the Fourth Amended User Agreement of New River Resource Authority for Authority Members, adopted and effective August 24, 2016 (the "Fourth Amendment"), provides that, subject to and upon certain terms and conditions, to authorize the Authority to contract with other public subdivisions within the Commonwealth of Virginia to allow for the emergency disposal of nonhazardous solid waste without the requirement of prior approval of each of the member jurisdictions; and

WHEREAS, Smyth County has proposed to contract with the Authority for the acceptance by the Authority of non-hazardous solid waste from Smyth County on a temporary basis in the event of an unexpected emergency; and

WHEREAS, Smyth County does not have solid waste disposal facilities and therefore cannot reciprocate as envisioned under the Fourth Amendment whereby the Authority can unilaterally execute a temporary disposal agreement with localities in cases of emergencies; and

WHEREAS, pursuant to the above provisions of the Articles of Incorporation and the Agreement, the consent of all Member Jurisdictions of the Authority is required for approval of such contracts; and

WHEREAS, the Authority desires to execute an agreement to provide emergency assistance to the Smyth County; and

WHEREAS, the Proposed Temporary Disposal Agreement has been submitted to each of the Member Jurisdictions for ratification and approval by each of the Member Jurisdictions.

NOW THEREFORE, BE IT RESOLVED that:

1. The Chairman of the Authority is authorized to execute and attest, respectively, the Temporary Disposal Agreement in substantially the form attached hereto as Exhibit A, subject to review and final approval as to form by the Attorney for the Authority.
2. The Chairman and the Executive Director is authorized to take such further actions and execute additional documents as may be needed to implement and administer such Temporary Disposal Agreement, and such additional documents, if any, are to be approved as to form by the Attorney for the Authority.
3. This Resolution shall take effect immediately.

Attest:

Secretary, New River Resource Authority

CERTIFICATE

The undersigned Chairman of the New River Resource Authority, does hereby certify that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Board of Directors held on _____, 20__, and of the whole thereof so far as applicable to the matters referred to in such extract.

I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing Resolution, a quorum was present. The vote of the members of the Board of Directors upon the foregoing Resolution was as follows:

Member Name	<u>Voting</u>				
	Present	Absent	Yes	No	Abstaining
Barry Helms, Chairman	_____	_____	_____	_____	_____
Paul Baker, Vice Chairman	_____	_____	_____	_____	_____
Robert Asbury	_____	_____	_____	_____	_____
Steve Fijalkowski	_____	_____	_____	_____	_____
Dirksen Compton	_____	_____	_____	_____	_____
Thomas Starnes	_____	_____	_____	_____	_____
Jonathan Sweet	_____	_____	_____	_____	_____
Tye Kirkner	_____	_____	_____	_____	_____

WITNESS MY HAND and the seal of the New River Resource Authority, Virginia, this ____ day of _____, 20__.

Chairman, New River Resource Authority

Mr. Estes recommended that the Board adopt the "Resolution of the New River Resource Authority Adopting Temporary Disposal Agreement – Smyth County". Following discussion, it was agreed that the first paragraph on page 2 should be changed to read "Whereas, the Proposed Temporary Disposal Agreement **has been submitted to each of the Member Jurisdictions for ratification and approval by each of the Member Jurisdictions**".

The motion to adopt Resolution of the New River Resource Authority Adopting Temporary Disposal Agreement – Smyth County" was made by Mr. Starnes. The motion was seconded by Mr. Baker and approved by a recorded roll call vote of the Authority as follows:

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

**RESOLUTION OF THE NEW RIVER RESOURCE AUTHORITY RECOMMENDING
APPROVAL OF A TEMPORARY DISPOSAL AGREEMENT – SMYTH COUNTY**

At a regular meeting of the Board of Directors of the New River Resource Authority, held on _____, 20__ at Noon, the Board of Directors resolved as follows:

A **RESOLUTION** recommending approval by Member Jurisdictions of an emergency, temporary disposal agreement (the "Temporary Disposal Agreement") between the New River Resource Authority ("Authority") and Smyth County, Virginia ("Smyth County") for the emergency disposal of nonhazardous solid waste:

WHEREAS, the Articles of Incorporation of the Authority provide that the Authority may, with the consent of all Member Jurisdictions, enter into contracts with other political subdivisions that are not members of the Authority in order to further its purposes and functions; and

WHEREAS, the Agreement of expansion of the Authority dated April 14, 1998 (the "Agreement"); provides that the Authority is to be used only for the disposal of waste in the member jurisdictions and only such areas outside of those geographical limits as the governing bodies of the member jurisdictions may unanimously agree; and

WHEREAS pursuant to the Fourth Amended User Agreement of New River Resource Authority for Authority Members, adopted and effective August 24, 2016 (the "Fourth Amendment"), provides that, subject to and upon certain terms and conditions, to authorize the Authority to contract with other public subdivisions within the Commonwealth of Virginia to allow for the emergency disposal of nonhazardous solid waste without the requirement of prior approval of each of the member jurisdictions; and

WHEREAS, Smyth County has proposed to contract with the Authority for the acceptance by the Authority of non-hazardous solid waste from Smyth County on a temporary basis in the event of an unexpected emergency; and

WHEREAS, Smyth County does not have solid waste disposal facilities and therefore cannot reciprocate as envisioned under the Fourth Amendment whereby the

Authority can unilaterally execute a temporary disposal agreement with localities in cases of emergencies; and

WHEREAS, pursuant to the above provisions of the Articles of Incorporation and the Agreement, the consent of all Member Jurisdictions of the Authority is required for approval of such contracts; and

WHEREAS, the Authority desires to execute an agreement to provide emergency assistance to the Smyth County and has negotiated the terms of a Proposed Temporary Disposal Agreement, in substantially the form as attached hereto as Exhibit A; and

WHEREAS, such Proposed Temporary Disposal Agreement has been submitted to each of the Member Jurisdictions and the Authority seeks consent from the Member Jurisdictions to execute the Proposed Temporary Disposal Agreement, in substantial form as presented thereto.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors that:

4. The Board of Directors hereby approve of the terms and conditions set forth in the Proposed Temporary Disposal Agreement, as presented at this meeting.
5. The Board of Directors ask that each Member Jurisdiction consent to the Authority entering into the Proposed Temporary Disposal Agreement in substantially the form attached hereto as Exhibit A, subject to review and final approval as to form by the Attorney for the Authority.
6. The Chairman of the Authority and the Executive Director is each authorized to communicate this request to each of the Member Jurisdictions and seek approval of the draft resolution as attached hereto as Exhibit B.
7. The Chairman and the Executive Director are each authorized to take such further actions and execute additional documents as may be needed to further the goals set forth in this Resolution.
8. This Resolution shall take effect immediately.

Attest:

Secretary, New River Resource Authority

CERTIFICATE

The undersigned Chairman of the New River Resource Authority, does hereby certify that the foregoing constitutes the Resolution as adopted by the Board of Directors at a meeting of the Board of Directors held on _____, 20___. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing Resolution, a quorum was present. The vote of the members of the Board of Directors upon the foregoing Resolution was as follows:

Member Name	<u>Voting</u>				
	Present	Absent	Yes	No	Abstaining
Barry Helms, Chairman	_____	_____	_____	_____	_____
Paul Baker, Vice Chairman	_____	_____	_____	_____	_____
Robert Asbury	_____	_____	_____	_____	_____
Steve Fijalkowski	_____	_____	_____	_____	_____
Dirksen Compton	_____	_____	_____	_____	_____
Thomas Starnes	_____	_____	_____	_____	_____
Jonathan Sweet	_____	_____	_____	_____	_____
Tye Kirkner	_____	_____	_____	_____	_____

WITNESS MY HAND and the seal of the New River Resource Authority, Virginia, this ____ day of _____, 20__.

Chairman, New River Resource Authority

The motion to adopt the "Resolution of the New River Resource Authority Recommending Approval of a Temporary Disposal Agreement – Smyth County" was made by Mr. Compton. The motion was seconded by Mr. Fijalkowski and approved by a recorded roll call vote of the Authority as follows:

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

The two resolutions with attachments will be sent to all member administrators with a brief cover letter summarizing action needed from all member jurisdictions.

Mr. Levine presented the Executive Director's Report. Revenue was 8.6% above projections; expenses were 4.9% below projections. 17,944.65 tons of waste was managed in September. October 4, DEQ inspected the NRSWM facility. October 13, Ruby Canyon and SCS Engineers were on site for carbon credit verification. On November 3, 2022, the Authority will upgrade its Wasteworks software and close at 3:00. The FY 2021/2022 annual audit will be presented at the November 16, 2022, Board meeting.

On October 25, 2022, Mr. Levine received a call from National Bank regarding a fraudulent check issued with the Authority's name, routing number and bank account number for \$7,000.00. A hold was placed on the account and staff has opened a new operating account.

Mr. Levine presented the Engineering Section of the Agenda.

Ingles Mountain – Mr. Rupe reported the flare at Ingles Mountain had been completed except for a modem for the remote operation. All groundwater reports had been submitted and reviewed by DEQ. Staff had completed last mowing of the site for the season.

NRSWMF – Mr. Monk reported that Area D and partial closure applications were under review by DEQ.

West Fork – WSSI completed field work.

Mr. Tew and Mr. Monk presented the "2022 Waste Rate Study and Financial Model". A copy of the presentation is attached to these minutes.

The Chairman invited Public Comments.

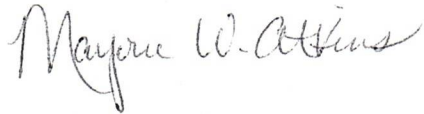
No comments were presented.

The meeting was adjourned by consensus.

The meeting adjourned at 1:00 pm.

The next scheduled meeting of the Authority is scheduled for Wednesday, November 16, 2022, 12:00, NOON at 7100 Cloyd's Mountain Road.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Marjorie W. Atkins".

Marjorie W. Atkins
NRRA Recording Secretary

Approved at _____ Board Meeting.

Barry Helms, Chair

**NRRA CHECKLIST
FOR THE MONTH OF OCTOBER 2022**

<u>ACCOUNT</u>	<u>VENDOR</u>	<u>AMOUNT PAID</u>	<u>EXPLANATION</u>
500.02	NATIONAL BANK	\$38.87	BOARD EXPENSE
500.02	CAPITAL ONE	\$195.11	BOARD EXPENSE
520.03	ANTHEM BLUE CROSS & BLUE SHIELD	\$31,738.23	HOSPITALIZATION/MEDICAL
520.07	ALLIANCE XPRESS CARE	\$100.00	MEDICAL EXPENSES
520.08	FLEXIBLE BENEFIT ADMINISTRATORS, INC.	\$28.50	MISCELLANEOUS BENEFITS
520.08	SUPER SHOE STORES/MACRO RETAILING	\$215.48	MISC. BENEFITS/SAFETY BOOTS
520.08	HEALTH ADVOCATE	\$18.00	MISCELLANEOUS BENEFITS
520.10	CINTAS	\$1,085.07	UNIFORMS
520.11	DELTA DENTAL	\$1,514.54	DENTAL INSURANCE
601.01	ESTES LAW & CONSULTING	\$2,415.00	SEPTEMBER 2022 GENERAL MATTERS
603.01	THOMPSON & LITTON, INC	\$5,800.00	ENGINEERING - GENERAL
603.01	THOMPSON & LITTON, INC	\$2,205.00	ENGINEERING - GENERAL
603.01	THOMPSON & LITTON, INC.	\$235.33	ENGINEERING - GENERAL
604.01	DARRYL J. GILLESPIE	\$1,200.00	ACCOUNTING
608.14	THOMPSON & LITTON, INC.	\$8,411.50	SURFACE WATER TESTING
609.01	SCS ENGINEERS	\$350.00	LANDFILL GAS MANAGEMENT PROGRAM
702.10	TAYLOR OFFICE SUPPLY, INC.	\$372.38	COMPUTER EQUIPMENT & SERVICE
702.10	TAYLOR OFFICE SUPPLY, INC.	\$13.92	COMPUTER EQUIPMENT & SERVICE
702.10	KALSOR IT CONSULTING	\$680.00	COMPUTER EQUIPMENT & SERVICE
702.10	CAROLINA SOFTWARE	\$200.00	COMPUTER EQUIPMENT & SERVICE
702.10	NATIONAL BANK	\$819.67	COMPUTER EQUIPMENT & SERVICE
702.10	CAPITOL ONE - (WAL MART)	\$8.98	COMPUTER EQUIPMENT & SERVICE
705.10	NATIONAL BANK	\$1,090.00	TRAINING & EDUCATION
705.10	SWANA	\$245.00	TRAINING & EDUCATION
705.10	SWANA	\$49.00	TRAINING & EDUCATION
706.10	THAD BALL	\$37.50	MEETINGS & TRAVEL
706.10	MARJORIE ATKINS	\$143.13	MEETINGS & TRAVEL
706.10	THAD BALL	\$37.50	MEETINGS & TRAVEL
708.10	NATIONAL BANK	\$45.00	DUES & ASSOC MEMBERSHIPS
708.10	MARJORIE ATKINS	\$10.00	DUES & ASSOC MEMBERSHIPS
751.80	APPALACHIAN POWER	\$2,976.10	ELECTRICITY
751.80	APPALACHIAN POWER	\$27.96	ELECTRICITY
751.80	CITY OF RADFORD	\$12.24	ELECTRICITY
752.50	VERIZON WIRELESS	\$463.08	TELEPHONE SERVICE
752.50	TELERITE CORPORATION	\$25.24	TELEPHONE SERVICE
752.50	HOMETOWN SECURITY	\$330.00	TELEPHONE SERVICE
752.50	ALL POINTS BROADBAND - NRV	\$99.95	TELEPHONE SERVICE
753.81	CITY OF RADFORD	\$27.34	LEACHATE TREATMENT
753.81	PUBLIC SERVICE AUTHORITY - PULASKI	\$2,455.51	LEACHATE TREATMENT
753.81	STONER QUALITY WATER, INC.	\$627.87	LEACHATE TREATMENT
754.10	CAPITOL ONE - (WAL MART)	\$86.18	SUPPLIES & MAINTENANCE
754.10	BROWN EXTERMINATING	\$160.00	SUPPLIES & MAINTENANCE
754.10	CRYSTAL SPRINGS	\$70.46	SUPPLIES & MAINTENANCE
754.10	CINTAS	\$1,184.22	SUPPLIES & MAINTENANCE
754.10	ABBI AUTOMATION, INC.	\$2,373.58	SUPPLIES & MAINTENANCE
754.10	CAVALIER SUPPLY CO., INC.	\$112.65	SUPPLIES & MAINTENANCE
754.10	BAY POWER SOLUTIONS	\$2,216.50	SUPPLIES & MAINTENANCE
754.10	FIRE - X CORPORATION	\$1,518.40	SUPPLIES & MAINTENANCE
754.10	NEW RIVER HEATING AND AIR	\$1,142.00	SUPPLIES & MAINTENANCE
754.10	BAY POWER SOLUTIONS	\$1,256.48	SUPPLIES & MAINTENANCE
754.10	CAPITAL ONE	\$72.01	SUPPLIES & MAINTENANCE
754.10	NORTHWEST ACE HARDWARE	\$145.60	SUPPLIES & MAINTENANCE

NRRA CHECKLIST
FOR THE MONTH OF OCTOBER 2022
PAGE 2

<u>ACCOUNT</u>	<u>VENDOR</u>	<u>AMOUNT PAID</u>	<u>EXPLANATION</u>
770.10	SOUTHWESTERN VA GAS SERVICE	\$122.25	GAS SERVICE - NEWRI9
780.10	NORTHWEST ACE HARDWARE	\$37.75	POST CLOSURE CARE
801.01	LIZETH F. JACKSON #39 (2022)	\$315.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #40 (2022)	\$315.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #41 (2022)	\$315.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #42 (2022)	\$315.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #43 (2022)	\$315.00	GENERAL MAINTENANCE
802.01	GREGORY SEEDING & LANDSCAPING, INC.	\$26,400.00	BMP GENERAL
802.01	AYERS & SONS SEPTIC, LLC	\$1,600.00	BMP GENERAL
802.01	NORTHWEST ACE HARDWARE	\$77.56	BMP GENERAL
803.01	NORTHWEST ACE HARDWARE	\$109.76	TOOLS & SUPPLIES - GENERAL
803.01	GRAINGER	\$355.57	TOOLS & SUPPLIES - GENERAL
805.10	HOLSTON RIVER	\$5,389.02	GRAVEL
807.11	NORTHWEST ACE HARDWARE	\$214.76	MISCELLANEOUS MAINTENANCE
807.11	CARTER MACHINERY COMPANY, INC.	\$896.70	MISCELLANEOUS MAINTENANCE
807.33	CARTER MACHINERY COMPANY, INC.	\$580.68	CAT 336 EXCAVATOR
807.44	ROANOKE HOSE & FITTINGS, INC.	\$378.58	JD 1050 DOZER
807.44	JAMES RIVER EQUIPMENT	\$8,929.58	JD 1050 DOZER
807.48	JAMES RIVER EQUIPMENT	\$14,482.28	BOMAG COMPACTOR
807.49	CARTER MACHINERY COMPANY, INC.	\$512.44	CAT 745 HAUL TRUCK
807.51	CARTER MACHINERY COMPANY, INC.	\$806.92	D6 WASTE
809.28	EXCEL TRUCK GROUP	\$157.60	MACK TRUCK
809.31	O'REILLY	\$57.98	SALT TRUCK
809.31	RADFROD WELDING & FABRICATION, LLC	\$433.75	SALT TRUCK
809.34	HARVEY'S	\$89.95	CHEVY TAHOE
810.20	CARTER MACHINERY COMPANY, INC.	\$1,205.35	HEAVY EQUIPMENT RENTAL
813.02	GREAT LAKES PETROLEUM	\$12,213.15	FUELS & FLUIDS
813.02	HUTCHENS PETROLEUM	\$2,281.29	FUELS & FLUIDS
813.02	MANSFIELD OIL COMPANY	\$69.28	FUELS & FLUIDS
813.02	GREAT LAKES PETROLEUM	\$932.61	FUELS & FLUIDS
813.02	HUTCHENS PETOLEUM	\$2,632.22	FUELS & FLUIDS
920.05	MXI ENVIRONMENTAL SERVICES, LLC	\$9,536.00	HHW CONTRACT SERVICE
920.06	LUSK DISPOSAL SERVICE, INC.	\$3,066.00	TIRE PROGRAM
125	ABBI AUTOMATION, INC.	\$5,342.52	INGLES FLARE UPGRADES
125	MAIN STREET BUILDERS	\$72,700.00	PAVING BRUSH AREA
125	KING'S TIRE SERVICE, INC.	\$7,112.71	HAUL TRUCK TIRE
125	LABELLA ASSOCIATES	\$5,819.09	INGLES FLARE UPGRADES
125	THOMPSON & LITTON, INC.	\$1,576.00	AREA D
	NET PAYROLL	\$70,624.98	
	VA DEPARTMENT OF TAXATION	\$4,894.00	
	WVA DEPARTMENT OF TAXATION	\$164.00	
	US TREASURY DEPARTMENT	\$27,597.54	
	VEC	\$30.77	
	MISSION SQUARE RETIREMENT	\$3,571.40	
	MINNESOTA LIFE INSURANCE CO.	\$119.44	
	VRS	\$14,781.24	
	AFLAC	\$810.89	
	BUREAU OF CHILD SUPPORT ENFORCEMENT	\$649.00	
	TOTAL	\$387,623.69	

NEW RIVER RESOURCE AUTHORITY

Balance Sheet

As of October 31, 2022

11/07/22

Accrual Basis

	<u>Oct 31, 22</u>
Other Current Liabilities	
203 ACCOUNTS PAYABLE	-50.00
206 FEDERAL WITHHELD	1,525.00
208 ACCOUNTS PAYABLE	643.00
211 ACCRUED PAYROLL	15,527.36
212 457 PLAN	1,682.14
215 ACCRUED ANNUAL LEAVE	176,809.70
216 PR TAX DUE ACCRUED LEAVE	13,525.94
218 CHILD SUPPORT	-204.92
219 ACCRUED FLEX SPENDING	-1,164.07
240 CLOSURE COST LIABILITY	9,758,373.00
241 DEFER INFLOW OF RES-PENSI...	489,491.00
243 DEFER INFLOW OF RES-OPEB	33,443.00
244.00 VRS-NET PENSION LIABILIT	193,349.00
245 VRS OPEN LIABILITY (HIC)	-12,189.00
246 VRS - OPER LIABILITY (GLI)	68,226.00
280.00 LEASE LIABILITY	1,111,103.00
Payroll Liabilities	328.17
Total Other Current Liabilities	<u>11,850,418.32</u>
Total Current Liabilities	<u>11,850,468.32</u>
Total Liabilities	11,850,468.32
Equity	
318 RETAINED EARNINGS	28,514,046.09
319 UNRESTRICTED NET ASSET	4,652,574.59
Net Income	256,885.47
Total Equity	<u>33,423,506.15</u>
TOTAL LIABILITIES & EQUITY	<u><u>45,273,974.47</u></u>

NEW RIVER RESOURCE AUTHORITY
Profit Loss Budget Performance
OCTOBER 2022

	OCT 2022	JULY TO OCT 2022	Annual Budget	Budget Balance	% Budget	% YTD (33)
Revenue:					33%	
402 REVENUE - PULASKI COUNTY	151,431.19	636,617.11	1,017,415.00	380,797.89	63%	29.6%
403 REVENUE - RADFORD CITY	14,192.40	59,533.95	196,890.00	137,356.05	30%	-2.8%
404 REVENUE - DUBLIN TOWN	0.00	4,963.52	14,600.00	9,636.48	34%	1.0%
405 REVENUE -GILES COUNTY	27,177.47	114,803.77	381,600.00	266,796.23	30%	-2.9%
406 REVENUE MSW - MRSWA	151,628.64	637,063.44	1,733,500.00	1,096,436.56	37%	3.8%
410 INTEREST INCOME/DIVIDEND INCOME	17,707.24	74,938.14	200,000.00	125,061.86	37%	4.5%
414 REVENUE - NON-MEMBER	129,529.75	487,625.00	1,228,775.00	741,150.00	40%	6.7%
415 REVENUE - MISC. SALES	0.00	100,000.00	50,000.00	(50,000.00)	200%	167.0%
498 GAS TO ENERGY REVENUE	23,911.27	64,397.78	125,000.00	60,602.22	52%	18.5%
Total Operating Revenue	515,577.96	2,179,942.71	4,947,780.00	2,767,837.29	44%	11.1%
Expense:						
500.01 BOARD COMPENSATION	2,550.00	10,200.00	30,600.00	20,400.00	33%	0.3%
500.02 BOARD EXPENSES	161.97	539.84	6,000.00	5,460.16	9%	-24.0%
501.05 SALARIES & WAGES F/T	30,643.97	121,505.67	566,000.00	444,494.33	21%	-11.5%
501.15 SALARIES & WAGES O/T	92.23	92.23	2,000.00	1,907.77	5%	-28.4%
502.05 SALARIES & WAGES F/T	75,600.16	289,854.13	870,000.00	580,145.87	33%	0.3%
502.15 SALARIES & WAGES O/T	3,780.21	9,310.83	50,000.00	40,689.17	19%	-14.4%
511.00 BANK ADMIN FEES	225.06	900.27	2,000.00	1,099.73	45%	12.0%
512.00 TRUST FUND EXPENSE	1,694.24	6,875.42	0.00	(6,875.42)		
520.01 FICA	7,621.00	31,715.51	100,000.00	68,284.49	32%	-1.3%
520.02 VRS RETIREMENT	6,186.66	35,387.46	110,000.00	74,612.54	32%	-0.8%
520.03 HOSPITAL/MEDICAL	31,738.23	128,173.77	460,000.00	331,826.23	28%	-5.1%
520.04 LIFE INSURANCE	1,463.42	5,861.61	24,000.00	18,138.39	24%	-8.6%
520.05 VEC UNEMPLOYMENT INS	30.77	226.85	500.00	273.15	45%	12.4%
520.06 WORKER COMPENSATION INS	0.00	16,180.00	27,000.00	10,820.00	60%	26.9%
520.07 MEDICAL EXPENSES	100.00	625.00	3,000.00	2,375.00	21%	-12.2%
520.08 MISCELLANEOUS BENEFITS	3,480.35	11,061.20	25,000.00	13,938.80	44%	11.2%
520.10 UNIFORMS/SPECIAL CLOTH	1,085.07	2,796.68	16,000.00	13,203.32	17%	-15.5%
520.11 DENTAL INSURANCE	1,514.54	6,058.16	25,000.00	18,941.84	24%	-8.8%
601.01 LEGAL	2,415.00	8,464.50	30,000.00	21,535.50	28%	-4.8%
603.01 ENGINEERING- GENERAL	8,240.33	49,117.70	225,000.00	175,882.30	22%	-11.2%
603.02 ENGINEERING -SURVEYING	0.00	5,912.00	50,000.00	44,088.00	12%	-21.2%
603.03 FINANCIAL ASSURANCE	0.00	0.00	25,000.00	25,000.00	0%	-33.0%
604.01 ACCOUNTING	1,200.00	3,600.00	20,000.00	16,400.00	18%	-15.0%
605.01 AUDITOR	0.00	0.00	15,000.00	15,000.00	0%	-33.0%
608.11 GW TEST & REPORT NRSWMA	0.00	0.00	35,000.00	35,000.00	0%	-33.0%
608.14 SURFACE WATER TESTING	8,411.50	10,282.70	10,000.00	(282.70)	103%	69.8%
609.01 LANDFILL GAS MANAGEMENT PROGRAM	350.00	542.93	125,000.00	124,457.07	0%	-32.6%
630.01 DEQ PERMIT FEE	0.00	18,010.84	75,000.00	56,989.16	24%	-9.0%
660.10 GENERAL LIABILITY	0.00	7,052.00	9,000.00	1,948.00	78%	45.4%
660.30 HEAVY EQUIP INSURANCE	0.00	8,493.00	12,000.00	3,507.00	71%	37.8%
660.40 VEHICLE INSURANCE	0.00	7,902.00	11,000.00	3,098.00	72%	38.8%
660.60 EMPLOYEE BOND	0.00	252.00	500.00	248.00	50%	17.4%
660.70 PHYSICAL PROPERTY	0.00	6,183.00	8,000.00	1,817.00	77%	44.3%
702.10 OFFICE EQUIPMENT & SUPPLIES	2,094.95	8,657.35	55,000.00	46,342.65	16%	-17.3%
703.10 POSTAGE	0.00	340.78	6,000.00	5,659.22	6%	-27.3%
705.10 TRAINING & EDUCATION	1,384.00	2,991.84	6,000.00	3,008.16	50%	16.9%
706.10 MEETING & TRAVEL	218.13	955.70	8,000.00	7,044.30	12%	-21.1%
708.10 DUES & ASSOC MEMBERSHPS	55.00	105.00	2,000.00	1,895.00	5%	-27.8%

NEW RIVER RESOURCE AUTHORITY
Profit Loss Budget Performance
OCTOBER 2022

	OCT 2022	JULY TO OCT 2022	Annual Budget	Budget Balance	% Budget	% YTD (33)
709.10 ADVERTISEMENTS	0.00	0.00	12,000.00	12,000.00	0%	-33.0%
710.10 PROMOTIONS	0.00	77.98	3,000.00	2,922.02	3%	-30.4%
751.80 ELECTRICITY	3,016.30	12,178.60	45,000.00	32,821.40	27%	-5.9%
752.50 COMMUNICATION SERVICES & ALARM	918.27	5,715.85	30,000.00	24,284.15	19%	-13.9%
753.81 WATER AND WASTE WATER SYSTEM	3,110.72	13,740.12	45,000.00	31,259.88	31%	-2.5%
753.90 SCALE SERVICE	0.00	0.00	4,000.00	4,000.00	0%	-33.0%
754.10 SUPPLIES & MAINTENANCE - GENERAL	10,338.08	16,106.06	40,000.00	23,893.94	40%	7.3%
770.10 GAS SERVICE	122.25	831.77	18,000.00	17,168.23	5%	-28.4%
780.10 POST CLOSURE CARE	37.75	2,788.65	25,000.00	22,211.35	11%	-21.8%
790.10 WEST FORK PROPERTY	0.00	73.12	5,000.00	4,926.88	1%	-31.5%
801.01 GENERAL MAINTENANCE	1,575.00	5,670.00	25,000.00	19,330.00	23%	-10.3%
802.01 BMP GENERAL	28,077.56	31,167.81	45,000.00	13,832.19	69%	36.3%
803.01 TOOLS & SUPPLIES GENERAL	465.33	945.06	5,000.00	4,054.94	19%	-14.1%
805.10 GRAVEL-M.S.W. AREA	5,389.02	10,722.27	70,000.00	59,277.73	15%	-17.7%
807.01 EQUIPMENT BUDGET	26,801.94	68,975.80	260,000.00	191,024.20	27%	-6.5%
809.01 VEHICLE PARTS & MAINT	739.27	1,805.06	25,000.00	23,194.94	7%	-25.8%
810.20 HEAVY EQUIPMENT RENTAL	1,205.36	8,015.86	10,000.00	1,984.14	80%	47.2%
813.02 FUELS AND FLUIDS	18,128.55	98,661.66	220,000.00	121,338.34	45%	11.8%
920.05 HHW CONTRACT SERVICES	9,536.00	11,036.00	40,000.00	28,964.00	28%	-5.4%
920.06 TIRE PROGRAM	3,066.00	12,565.50	80,000.00	67,434.50	16%	-17.3%
Total Operating Expenses	304,864.19	1,117,305.14	4,051,600.00	2,934,294.86	28%	-5.4%
Net Operating Income	210,713.77	1,062,637.57	896,180.00	(166,457.57)	119%	85.6%
Non-Operating Expenses						
847. DEPRECIATION	138,162.58	552,650.32	1,066,201.00	513,550.68	52%	18.8%
848. APPRECIATION- TRUST FUND	26,873.28	253,101.78	0.00	(253,101.78)		
Total Non Operating Expenses	165,035.86	805,752.10	1,066,201.00	260,448.90	76%	42.6%
Net Income	45,677.91	256,885.47	(170,021.00)	(426,906.47)		



Communication with Those Charged with Governance

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

We have audited the financial statements of the business-type activities of New River Resource Authority for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 2, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New River Resource Authority are described in Note 1 to the financial statements. As described in Note 15 to the financial statements, New River Resource Authority changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 15 to the financial statements. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 14, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

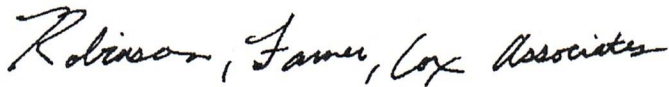
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were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

Other Matters

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

Restriction on Use

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



Blacksburg, Virginia
October 14, 2022



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: October 14, 2022

Memorandum to: Joseph Levine, Executive Director
Marjorie Atkins, Office Manager

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit of the financial statements of the New River Resource Authority for the year ended June 30, 2022, we considered the Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving internal control structure and other operational matters that are presented for your consideration. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience.

Conflict of Interest Forms:

During our audit of the Board's conflict of interest forms we noted one form was not completed thoroughly. We recommend the forms be reviewed to ensure all applicable sections are completed and others are clearly marked as "not applicable."

Payroll Deductions:

During our audit we noted the Authority has been deducting child support as a pretax deduction for federal and FICA withholding purposes. We recommend the Authority review their deductions and ensure proper taxation of same. Further, we recommend the Authority implement a monthly reconciliation to ensure the amount reported as a liability in QuickBooks agrees to the amounts owed to each vendor.

BLACKSBURG OFFICE:
108 South Park Drive
Blacksburg, Virginia 24060
(540) 552-7322

CONTACT:
Scott Wickham, CPA, CFE
Member
swickham@rfca.com

NEW RIVER RESOURCE AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

NEW RIVER RESOURCE AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION

NEW RIVER RESOURCE AUTHORITY

DUBLIN, VIRGINIA

FOR THE YEAR ENDED JUNE 30, 2022

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

BOARD OF DIRECTORS

Mr. Barry Helms, Chairperson
Montgomery Regional Solid Waste Authority

Mr. Paul Baker, Vice Chairperson
County of Giles

Mr. Robert Asbury
City of Radford

Mr. Thomas Starnes
City of Radford

Mr. Steve Fijalkowski
Montgomery Regional Solid Waste Authority

Mr. Tye Kirkner
Town of Dublin

Mr. Dirksen Compton
County of Pulaski

Mr. Jonathan Sweet
County of Pulaski

OFFICIALS

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



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

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, 2022, 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, 2022, 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 Principle

As described in Note 15 to the financial statements, in 2022, the Authority adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 15 to the financial statements, in 2022, the Authority restated beginning balances to reflect the requirements of GASB Statement No. 87. 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 opinions. 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022, 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 14, 2022

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022. 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, 2022 increased to \$33,166,436 from \$32,919,540 at June 30, 2021. 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, 2022 increased to \$21,889,080 from \$18,098,569 at June 30, 2021. *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, 2022 decreased to \$11,265,167 from \$14,820,971 at June 30, 2021. This decrease was expected as the Authority used funds on hand for capital projects.

The Authority had revenues of \$6,125,979, which exceeded the expenses of \$5,880,714 resulting in an increase to net position of \$245,265.

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, 2022 (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, 2022 (CONTINUED)**

CONDENSED FINANCIAL INFORMATION

Table A presents the Condensed Statement of Net Position for the years ended June 30, 2022 and 2021. At June 30, 2022 and 2021, unrestricted net position was \$11,265,167 and \$14,820,971, respectively. Of total net position, unrestricted net position represented 33.9% and 45.0% for fiscal year 2022 and 2021, respectively.

TABLE A:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Assets		
Current assets	\$ 21,694,229	\$ 24,609,245
Noncurrent assets	23,226,455	18,750,136
Total assets	<u>\$ 44,920,684</u>	<u>\$ 43,359,381</u>
 Deferred outflows of resources	 <u>\$ 382,963</u>	 <u>\$ 405,988</u>
 Liabilities		
Current liabilities	\$ 734,304	\$ 624,604
Noncurrent liabilities	10,879,973	10,110,789
Total liabilities	<u>\$ 11,614,277</u>	<u>\$ 10,735,393</u>
 Deferred inflows of resources	 <u>\$ 522,934</u>	 <u>\$ 110,436</u>
 Net Position		
Net investment in capital assets	\$ 21,889,080	\$ 18,098,569
Restricted	12,189	-
Unrestricted	11,265,167	14,820,971
Total net position	<u><u>\$ 33,166,436</u></u>	<u><u>\$ 32,919,540</u></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 \$33,166,436 and \$32,919,540 at June 30, 2022 and 2021, 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 2022, 66.1% 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, 2022 (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, 2022 and 2021.

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, 2022</u>	<u>June 30, 2021</u>
Revenues		
Operating revenues:		
Landfill charges	\$ 6,128,511	\$ 6,779,866
Gas to energy revenues	168,960	80,921
Miscellaneous	222,005	225,397
Nonoperating revenues	(393,497)	118,350
Total revenues	\$ 6,125,979	\$ 7,204,534
Expenses		
Operating expenses:		
Operations	\$ 3,482,987	\$ 3,471,891
Closure and postclosure	734,267	294,585
Depreciation	1,652,598	1,657,930
Nonoperating expenses	10,862	10,859
Total expenses	\$ 5,880,714	\$ 5,435,265
Change in Net Position	<u>\$ 245,265</u>	<u>\$ 1,769,269</u>

Landfill charges for fiscal year 2022 decreased by 9.61% to \$6,128,511 compared to \$6,779,866 from fiscal year 2021. The Authority disposed of 227,260 tons of waste in the current fiscal year as compared to 246,275 in the prior year. One large nonmember customer disposed of 50,944 more tons in the prior fiscal year resulting in a decrease of charges totaling \$1,746,522. However, some of that decrease was offset by an increase in construction debris disposed of by members.

The Authority's operations expenses increased by .31% to \$3,482,987 from \$3,471,891.

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, 2022 (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, 2022, the Authority has \$23,214,266 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 \$5,273,839. Depreciation expense for the year ending June 30, 2022 was \$1,602,472. Considering depreciation expense and the Authority's capital asset additions, total net investment in capital assets increased to \$23,214,266 at June 30, 2022 from \$18,743,958 at June 30, 2021, for a total net difference of \$4,470,308. The majority of the investment in capital assets was comprised of the following:

- (1) Gator 57K3M
- (1) CAT 313 07c

Also included in this year's investment total is construction in progress related to construction of Cell D for the New River Solid Waste Management Area's Landfill. This activity increased to a level of \$10,767,632. 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, 2022, the Authority reported total outstanding debt and obligations of \$11,321,387. These items are detailed at Note 3 of the financial statements. This total is an increase of \$949,427 from the amounts reported as of June 30, 2021. The majority of this increase results as an increase in the landfill closure and post closure estimates which are detailed in Note 6 of the financial statements.

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.

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022 (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 2022) will include: the operations to include disposal in Areas A, B, and C, operating an active landfill gas system, closure of approximately 10 acres within the next five years, Area D construction project, 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 and the pandemic. Operations expenses will increase with the trending inflation and the anticipated opening of Area D for disposal. In addition to operating expenses increasing, the NRRA financial assurance required through VDEQ Solid Waste Management Regulations will increase between \$3 and \$4 million.

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, 2022

ASSETS

Current Assets:

Cash and cash equivalents	\$ 10,796,721
Investments	1,956,774
Investments with trustee - closure/postclosure care	8,414,637
Accounts receivable - members	359,352
Accounts receivable - trade, net of allowance	131,752
Prepaid items	34,993

Noncurrent Assets:

Net OPEB asset	12,189
Capital assets (net of accumulated depreciation):	
Land	1,087,106
Construction in progress	10,767,632
Landfill and support facilities	8,181,146
Equipment and vehicles	1,977,691
Intangible - right to use assets	1,200,691
Total capital assets (net of accumulated depreciation)	<u>\$ 23,214,266</u>

Total assets \$ 44,920,684

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	\$ 360,151
OPEB related items	<u>22,812</u>

Total deferred outflows of resources \$ 382,963

LIABILITIES

Current Liabilities:

Accounts payable - operations	\$ 61,006
Accounts payable - construction	214,083
Payroll liabilities	17,801
Lease liabilities - current portion	227,213
Landfill closure/postclosure liability - current portion	195,167
Compensated absences - current portion	19,034

Noncurrent Liabilities:

Lease liabilities - long-term portion	883,890
Net OPEB liability	68,226
Net pension liability	193,349
Compensated absences - long-term portion	171,302
Landfill closure/postclosure liability - long-term portion	<u>9,563,206</u>

Total liabilities \$ 11,614,277

DEFERRED INFLOWS OF RESOURCES

Pension related items	\$ 489,491
OPEB related items	<u>33,443</u>

Total deferred inflows of resources \$ 522,934

NET POSITION

Net investment in capital assets	\$ 21,889,080
Restricted for future OPEB costs	12,189
Unrestricted	<u>11,265,167</u>

Total net position \$ 33,166,436

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, 2022

OPERATING REVENUES

Landfill charges, net of user rebates	\$ 6,128,511
Gas-to-energy	168,960
Miscellaneous	<u>222,005</u>
Total operating revenues	\$ <u>6,519,476</u>

OPERATING EXPENSES

Members' compensation	\$ 35,994
Salaries and wages	1,319,587
Employee benefits and payroll taxes	602,183
Professional services	353,159
Office expenses, postage, and advertising	37,527
Insurance	28,501
Dues, licenses, and subscriptions	20,543
Telephone and communications	21,270
Travel	3,330
Training and education	4,379
Uniforms and special clothing	11,233
Utilities	89,104
Clay and gravel	48,414
Fuels	273,938
Leachate treatment	112,058
Seeding and erosion	42,574
Tools and supplies	62,852
Equipment rental	3,665
Repairs and maintenance	339,219
Miscellaneous	3,756
Methane, ground water, and leachate monitoring	69,701
Landfill closure and postclosure expense	734,267
Depreciation	<u>1,652,598</u>
Total operating expenses	\$ <u>5,869,852</u>
Net operating income (loss)	\$ <u>649,624</u>

Nonoperating revenues (expenses):

Interest and dividend income	\$ 199,286
Unrealized gain (loss) on investments	(592,783)
Interest expense	<u>(10,862)</u>

Total nonoperating revenues (expenses) **\$ (404,359)**

Change in Net Position **\$ 245,265**

Net Position at beginning of year, as restated **32,921,171**

Net Position at end of year **\$ 33,166,436**

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, 2022

Cash flows from operating activities:	
Cash received from customers	\$ 7,297,947
Cash payments to suppliers for goods and services	(1,528,999)
Cash payments to employees	(2,059,761)
Net cash provided by (used for) operating activities	\$ 3,709,187
Cash flows from capital and related financing activities:	
Interest payments	\$ (10,862)
Lease payments	(142,350)
Purchase of capital assets	(5,300,717)
Net cash provided by (used for) capital and related financing activities	\$ (5,453,929)
Cash flows from investing activities:	
Interest income	\$ 137,139
Purchase of investments	(1,263,611)
Proceeds from sale of investments	1,263,611
Net cash provided by (used for) investing activities	\$ 137,139
Net increase (decrease) in cash and cash equivalents	\$ (1,607,603)
Cash and cash equivalents at beginning of year	12,404,324
Cash and cash equivalents at end of year	\$ 10,796,721
<i>Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities:</i>	
Net operating income (loss)	\$ 649,624
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	\$ 1,652,598
Decrease (increase) in accounts receivable	778,471
Decrease (increase) in prepaid items	(1,694)
Decrease (increase) in net OPEB asset	(6,011)
Decrease (increase) in deferred outflows of resources	23,025
Increase (decrease) in accounts payable	(2,082)
Increase (decrease) in payroll liabilities	(39,994)
Increase (decrease) in compensated absences	(17,089)
Increase (decrease) in net OPEB liability	(29,568)
Increase (decrease) in net pension liability	(444,858)
Increase (decrease) in deferred inflows of resources	412,498
Increase (decrease) in landfill closure/postclosure liability	734,267
Total adjustments	\$ 3,059,563
Net cash provided by (used for) operating activities	\$ 3,709,187
Schedule of non-cash capital and related financing activities:	
Purchase of property, plant and equipment included in construction payables	\$ 214,083
Property, plant and equipment acquired through lease	849,067

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, 2022

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, 2022 (CONTINUED)

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

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents 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 the net pension liability and the net OPEB liability (asset) and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liability (asset) measurement date. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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 net pension liability and net OPEB liability (asset) 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, 2022 (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, 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

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these amounts.

L. Compensated Absences

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.

Annual leave earned is prorated on the basis of a four-week month. Annual leave credits may not be earned for any week that the employee suffers a loss of pay during the week because of insufficient leave balances to cover the forty-hour week. Employees will be paid for unused annual leave balances upon the termination of their employment up to the amount of maximum carryover for their years of service.

Sick leave is earned at a rate of eight hours per month prorated in the same manner as annual leave. Employees in good standing will be paid twenty-five percent of the value of unused sick leave up to a maximum amount of (\$2,500) upon termination.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (CONTINUED)

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

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, Counties of Pulaski, Floyd, and Giles, and Montgomery Regional Solid Waste Authority. Accounts receivable 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, 2022, 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, 2022 (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 (lessee) or lease receivable (lessor).

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 (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

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 and 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, 2022 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, 2022 were rated by Standard and 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		
	AAAm	AAA	Total
Government Agency Bonds	\$ -	\$ 9,725,175	\$ 9,725,175
Money Market Funds	646,236	-	646,236
Total Investments	\$ 646,236	\$ 9,725,175	\$ 10,371,411

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (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	\$ 975,200	\$ 8,749,975	\$ 9,725,175
Money Market Funds	646,236	-	646,236
Total	\$ 1,621,436	\$ 8,749,975	\$ 10,371,411

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, 2022:

Investment	6/30/2022	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	\$ 9,725,175	\$ 9,725,175	\$ -	\$ -
Money Market Funds	646,236	646,236	-	-
Total	\$ 10,371,411	\$ 10,371,411	\$ -	\$ -

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, 2022, the Authority has secured the Letter of Credit with National Bank in the amount of \$11,155,944 to cover the total estimated closure and post-closure liability of \$9,758,373. Total funds held as collateral as of June 30, 2022 were \$10,371,411, which is less than the minimum requirement by \$784,533. See Note 6 for further details of the closure and postclosure care costs liability.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (CONTINUED)

Note 2 - Deposits and Investments: (Continued)

Restrictions on Cash, Cash Equivalents, and Investments: (Continued)

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, 2022:

	Balance July 1, 2021	Restatement	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2022
Capital leases	\$ 404,428	\$ (404,428)	\$ -	\$ -	\$ -
Lease liabilities	-	404,386	849,067	(142,350)	1,111,103
Compensated absences	207,425	-	3,654	(20,743)	190,336
Landfill closure and postclosure	9,024,106	-	914,749	(180,482)	9,758,373
Net pension liability	638,207	-	544,140	(988,998)	193,349
Net OPEB liability	97,794	-	21,688	(51,256)	68,226
Total	\$ 10,371,960	\$ (42)	\$ 2,333,298	\$ (1,383,829)	\$ 11,321,387

Details of long-term obligations:

	Total Amount	Amount Due Within One Year
<u>Other Obligations:</u>		
Compensated absences	\$ 190,336	\$ 19,034
Landfill closure and postclosure	9,758,373	195,167
Lease liabilities	1,111,103	227,213
Net pension liability	193,349	-
Net OPEB liability	68,226	-
Total Other Obligations	\$ 11,321,387	\$ 441,414
Total Long-term Obligations	\$ 11,321,387	\$ 441,414

Note 4 - Lease Liabilities:

The Authority entered into a 14-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, 2022, the value of the lease liability was \$344,451. 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 \$43,386.

During the current year, the Authority entered into a 10-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, 2022, the value of the lease liability was \$766,652. 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 \$849,067 with accumulated amortization of \$6,740.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (CONTINUED)

Note 4 - Lease Liabilities: (Continued)

The future principal and interest lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Lease Liabilities	
	Principal	Interest
2023	\$ 227,213	\$ 9,572
2024	230,240	7,368
2025	233,308	5,134
2026	236,417	2,870
2027	151,548	577
2028	32,377	-
Total	<u>\$ 1,111,103</u>	<u>\$ 25,521</u>

Note 5 - Capital Assets:

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

	Beginning Balance	Restatement	As adjusted, Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:						
Land	\$ 1,087,106	\$ -	\$ 1,087,106	\$ -	\$ -	\$ 1,087,106
Construction in progress	5,755,505	-	5,755,505	5,012,127	-	10,767,632
Total capital assets, not being depreciated	<u>\$ 6,842,611</u>	<u>\$ -</u>	<u>\$ 6,842,611</u>	<u>\$ 5,012,127</u>	<u>\$ -</u>	<u>\$ 11,854,738</u>
Capital assets, being depreciated:						
Landfill and support facilities	\$ 34,892,514	\$ -	\$ 34,892,514	\$ -	\$ -	\$ 34,892,514
Equipment	7,622,443	(434,100)	7,188,343	261,712	-	7,450,055
Vehicles	339,849	-	339,849	-	-	339,849
Total capital assets, being depreciated	<u>\$ 42,854,806</u>	<u>\$ (434,100)</u>	<u>\$ 42,420,706</u>	<u>\$ 261,712</u>	<u>\$ -</u>	<u>\$ 42,682,418</u>
Accumulated depreciation:						
Landfill and support facilities	\$ (25,631,356)	\$ -	\$ (25,631,356)	\$ (1,080,012)	\$ -	\$ (26,711,368)
Equipment	(5,056,928)	32,350	(5,024,578)	(490,242)	-	(5,514,820)
Vehicles	(265,175)	-	(265,175)	(32,218)	-	(297,393)
Total accumulated depreciation	<u>\$ (30,953,459)</u>	<u>\$ 32,350</u>	<u>\$ (30,921,109)</u>	<u>\$ (1,602,472)</u>	<u>\$ -</u>	<u>\$ (32,523,581)</u>
Intangible - right to use assets						
Equipment	\$ -	\$ 401,750	\$ 401,750	\$ 849,067	\$ -	\$ 1,250,817
Accumulated depreciation:						
Equipment	\$ -	\$ -	\$ -	\$ (50,126)	\$ -	\$ (50,126)
Capital assets, net	<u>\$ 18,743,958</u>	<u>\$ -</u>	<u>\$ 18,743,958</u>	<u>\$ 4,470,308</u>	<u>\$ -</u>	<u>\$ 23,214,266</u>

Current year capital asset additions include construction payables and retainage payable of \$214,083.

**NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (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 (83.06%) of the constructed cells at June 30, 2022 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, 2022, is \$9,758,373 and includes \$9,325 designated for the old Ingles Mountain Debris Landfill site (now closed); \$434,414 designated for the old Ingles Mountain Sanitary Landfill site (now closed); \$9,044,813 designated for the new Cloyd's Mountain landfill; and \$269,821 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 \$10,442,384, of which 86.62% has been recognized as noted above based on usage. As such, \$1,397,751 or 12.53% 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 19.

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, 2022 (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, 2022 (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, 2020 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	4
Inactive members:	
Vested inactive members	3
Non-vested inactive members	3
Inactive members active elsewhere in VRS	<u>2</u>
Total inactive members	8
Active members	<u>19</u>
Total covered employees	<u><u>31</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, 2022 was 6.95% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$80,363 and \$84,896 for the years ended June 30, 2022 and June 30, 2021, respectively.

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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (CONTINUED)

Note 7 - Pension Plan: (Continued)

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, 2020, 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, 2021.

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2022 (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, 2022 (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	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year expected return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, 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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 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, 2022 (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, 2020	\$ 3,690,280	\$ 3,052,073	\$ 638,207
Changes for the year:			
Service cost	\$ 101,064	\$ -	\$ 101,064
Interest	246,819	-	246,819
Changes in assumptions	121,988	-	121,988
Differences between expected and actual experience	72,270	-	72,270
Contributions - employer	-	78,194	(78,194)
Contributions - employee	-	57,907	(57,907)
Net investment income	-	852,815	(852,815)
Benefit payments, including refunds of employee contributions	(67,401)	(67,401)	-
Administrative charges	-	(1,999)	1,999
Other changes	-	82	(82)
Net changes	\$ 474,740	\$ 919,598	\$ (444,858)
Balances at June 30, 2021	\$ 4,165,020	\$ 3,971,671	\$ 193,349

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)	\$ 866,106	\$ 193,349	\$ (352,787)

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (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, 2022, the Authority recognized pension expense of \$33,369. At June 30, 2022, 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	\$ 137,866	\$ 44,206
Change in assumptions	141,922	16,118
Net difference between projected and actual earnings on pension plan investments	-	429,167
Employer contributions subsequent to the measurement date	<u>80,363</u>	<u>-</u>
Total	<u>\$ 360,151</u>	<u>\$ 489,491</u>

\$80,363 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, 2023. 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:

Year Ended June 30

2023	\$ (41,942)
2024	(14,431)
2025	(41,274)
2026	(112,056)
2027	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 (CONTINUED)

Note 8 - Other Postemployment Benefits (OPEB) Summary:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net OPEB Liability (Asset)	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance (GLI) Plan	\$ 21,757	\$ 26,139	\$ 68,226	\$ 4,770
Health Insurance Credit (HIC) Plan	1,055	7,304	(12,189)	1,021
Totals	<u>\$ 22,812</u>	<u>\$ 33,443</u>	<u>\$ 56,037</u>	<u>\$ 5,791</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 \$8,722 as of June 30, 2022.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (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 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% 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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$6,690 and \$6,544 for the years ended June 30, 2022 and June 30, 2021, 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, 2022, the entity reported a liability of \$68,226 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.00586% as compared to 0.00590% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense \$3,700. 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, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,781	\$ 520
Net difference between projected and actual earnings on GLI OPEB plan investments	-	16,284
Change in assumptions	3,761	9,335
Changes in proportionate share	3,525	-
Employer contributions subsequent to the measurement date	6,690	-
Total	\$ 21,757	\$ 26,139

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (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)

\$6,690 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, 2023. 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>		
2023	\$	(2,457)
2024		(1,699)
2025		(1,666)
2026		(4,405)
2027		(845)
Thereafter		-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. 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, 2022 (CONTINUED)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
GLI Net OPEB Liability (Asset)	\$ 1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

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, 2022 (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	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, 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, 2021, 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 100% of the actuarially determined contribution rate. From July 1, 2021 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, 2022 (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	\$ 99,681	\$ 68,226	\$ 42,825

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-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, 2022 (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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

Active members	19
Total covered employees	<u>19</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, 2022 was 0.05% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. 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 \$606 and \$606 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

Net HIC OPEB Liability (Asset)

The Authority's net HIC OPEB liability (asset) was measured as of June 30, 2021. The total HIC OPEB liability (asset) was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB liability (asset) was based on an actuarial valuation as of June 30, 2020, 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, 2021.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2022 (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	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, 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, 2021, 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, 2021 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, 2022 (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, 2020	\$ 19,498	\$ 25,676	\$ (6,178)
Changes for the year:			
Service cost	\$ 948	\$ -	\$ 948
Interest	1,316	-	1,316
Differences between expected and actual experience	(685)	-	(685)
Assumption changes	(208)	-	(208)
Contributions - employer	-	605	(605)
Net investment income	-	6,860	(6,860)
Administrative expenses	-	(83)	83
Net changes	\$ 1,371	\$ 7,382	\$ (6,011)
Balances at June 30, 2021	\$ 20,869	\$ 33,058	\$ (12,189)

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)	\$ (9,161)	\$ (12,189)	\$ (14,707)

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, 2022, the Authority recognized HIC Plan OPEB expense of \$(1,021). At June 30, 2022, 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, 2022 (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)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42	\$ 3,183
Net difference between projected and actual earnings on HIC OPEB plan investments	407	782
Change in assumptions	-	3,339
Employer contributions subsequent to the measurement date	606	-
Total	\$ 1,055	\$ 7,304

\$606 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, 2023. 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

2023	\$ (1,447)
2024	(1,442)
2025	(1,463)
2026	(1,626)
2027	(489)
Thereafter	(388)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 11 - Commitments and Contingencies:

Construction Contracts:

Project	Contract Total	Amount Outstanding	Related Payables
NRRA Landfill Area D Expansion - Construction	\$ 4,328,763	\$ 47,106	\$ 214,083

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (CONTINUED)

Note 12 - 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, 2022:

	<u>Operating Revenues</u>	<u>Accounts Receivable</u>
	<u>2022</u>	<u>2022</u>
City of Radford	\$ 170,408	\$ 14,698
Pulaski County Public Service Authority	1,476,968	157,130
Town of Dublin	23,073	1,639
Montgomery Regional Solid Waste Authority	1,853,919	156,441
Giles County Public Service Authority	336,167	29,333
	<u>\$ 3,860,535</u>	<u>\$ 359,242</u>

Note 13 - Litigation:

As of June 30, 2022, 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 14 - 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 Municipal League Insurance Program. 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 15 - Adoption of Accounting Principle:

The Authority implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the fiscal year ended June 30, 2022. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this Statement resulted in the following adjustment of assets and liabilities:

Net position, as previously reported	\$ 32,919,540
GASB 87 Implementation	1,631
Net position, as restated	<u>\$ 32,921,171</u>

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 (CONTINUED)

Note 16 - Upcoming Pronouncements:

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

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

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

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

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, 2014 THROUGH JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 101,064	\$ 99,893	\$ 91,001	\$ 94,049	\$ 98,852	\$ 89,180	\$ 84,434	\$ 78,289
Interest	246,819	222,815	211,355	190,756	187,083	165,841	151,390	140,116
Differences between expected and actual experience	77,270	102,230	(58,080)	74,020	(110,287)	91,906	22,001	-
Changes in assumptions	121,988	-	118,402	-	(85,603)	-	-	-
Benefit payments	(67,401)	(71,248)	(76,039)	(38,183)	(51,834)	(49,986)	(52,756)	(61,962)
Net change in pension liability	\$ 474,740	\$ 353,690	\$ 286,639	\$ 320,642	\$ 38,211	\$ 296,941	\$ 205,069	\$ 156,443
Total pension liability - beginning	3,690,280	3,336,590	3,049,951	2,729,309	2,691,098	2,394,157	2,189,088	2,032,645
Total pension liability - ending (a)	\$ 4,165,020	\$ 3,690,280	\$ 3,336,590	\$ 3,049,951	\$ 2,729,309	\$ 2,691,098	\$ 2,394,157	\$ 2,189,088
Plan Fiduciary Net Position								
Contributions - employer	\$ 78,194	\$ 67,171	\$ 63,799	\$ 82,888	\$ 82,319	\$ 82,209	\$ 74,465	\$ 73,049
Contributions - employee	57,907	57,569	54,090	51,814	51,834	49,304	44,810	41,240
Net investment income	852,815	57,247	185,594	185,253	263,874	38,061	85,513	245,470
Benefit payments	(67,401)	(71,248)	(76,039)	(38,183)	(51,834)	(49,986)	(52,756)	(61,962)
Administrator charges	(1,999)	(1,852)	(1,749)	(1,488)	(1,402)	(1,169)	(1,091)	(1,265)
Other	82	(69)	(117)	(375)	(470)	(15)	(19)	13
Net change in plan fiduciary net position	\$ 919,598	\$ 108,818	\$ 225,578	\$ 279,909	\$ 344,321	\$ 118,404	\$ 150,922	\$ 296,545
Plan Fiduciary Net Position - beginning	3,052,073	2,943,255	2,717,677	2,437,768	2,093,447	1,975,043	1,824,121	1,527,576
Plan Fiduciary Net Position - ending (b)	\$ 3,971,671	\$ 3,052,073	\$ 2,943,255	\$ 2,717,677	\$ 2,437,768	\$ 2,093,447	\$ 1,975,043	\$ 1,824,121
Authority's net pension liability - ending (a) - (b)	\$ 193,349	\$ 638,207	\$ 393,335	\$ 332,274	\$ 291,541	\$ 597,651	\$ 419,114	\$ 364,967
Plan fiduciary net position as a percentage of the total pension liability	95.36%	82.71%	88.21%	89.11%	89.32%	77.79%	82.49%	83.33%
Covered payroll	\$ 1,211,856	\$ 1,205,173	\$ 1,114,119	\$ 1,042,658	\$ 1,044,064	\$ 994,408	\$ 896,200	\$ 824,800
Authority's net pension liability as a percentage of covered payroll	15.95%	52.96%	35.30%	31.87%	27.92%	60.10%	46.77%	44.25%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2022

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)
2022	\$ 80,363	\$ 80,363	\$ -	\$ 1,250,685	6.43%
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	82,209	82,209	-	994,408	8.27%
2015	74,465	74,465	-	896,200	8.31%
2014	73,049	73,049	-	824,800	8.86%
2013	67,466	67,466	-	759,749	8.88%

* 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, 2022

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2021

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)
2021	0.00586%	\$ 68,226	\$ 1,211,856	5.63%	67.45%
2020	0.00586%	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, 2013 THROUGH JUNE 30, 2022

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)
2022	\$ 6,690	\$ 6,690	\$ -	\$ 1,250,685	0.53%
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%
2015	4,302	4,302	-	896,200	0.48%
2014	3,959	3,959	-	824,800	0.48%
2013	3,647	3,647	-	759,749	0.48%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE YEAR ENDED JUNE 30, 2022

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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, 2021

	2021	2020	2019	2018
Total HIC OPEB Liability				
Service cost	\$ 948	\$ 848	\$ 784	\$ 700
Interest	1,316	1,334	1,281	1,157
Differences between expected and actual experience	(685)	(2,451)	(1,260)	78
Changes of assumptions	(208)	-	659	-
Benefit payments	-	-	-	(335)
Net change in total HIC OPEB liability	\$ 1,371	\$ (269)	\$ 1,464	\$ 1,600
Total HIC OPEB Liability - beginning	19,498	19,767	18,303	16,703
Total HIC OPEB Liability - ending (a)	\$ 20,869	\$ 19,498	\$ 19,767	\$ 18,303
Plan Fiduciary Net Position				
Contributions - employer	\$ 605	\$ 603	\$ 557	\$ 939
Net investment income	6,860	500	1,491	1,494
Benefit payments	-	-	-	(335)
Administrator charges	(83)	(49)	(33)	36
Other	-	-	(2)	(171)
Net change in plan fiduciary net position	\$ 7,382	\$ 1,054	\$ 2,013	\$ 1,963
Plan fiduciary net position - beginning	25,676	24,622	22,609	20,646
Plan fiduciary net position - ending (b)	\$ 33,058	\$ 25,676	\$ 24,622	\$ 22,609
Authority's net HIC OPEB liability (asset) - ending (a) - (b)	\$ (12,189)	\$ (6,178)	\$ (4,855)	\$ (4,306)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	158.41%	131.69%	124.56%	123.53%
Covered payroll	\$ 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	-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, 2013 THROUGH JUNE 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (1) - (2) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (2) / (4) (5)
2022	\$ 606	\$ 606	\$ -	\$ 1,250,685	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%
2015	986	986	-	896,200	0.11%
2014	1,155	1,155	-	824,800	0.14%
2013	1,064	1,064	-	759,749	0.14%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE YEAR ENDED JUNE 30, 2022

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action as of July 1, 2019. 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

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, 2022, 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 14, 2022.

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 have not been 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 14, 2022



November 2, 2022

MEMORANDUM:

TO: NEW RIVER RESOURCE AUTHORITY BOARD MEMBERS

FROM: JOSEPH R. LEVINE, P.E.
EXECUTIVE DIRECTOR 

SUBJECT: 2022 BOARD MEETING SCHEDULE

The following is the schedule for NRRRA Board meetings for the 2023 calendar year. It is recommended that the Board adopt this schedule at the November 16, 2022, meeting.

Wednesday	January 25, 2023
Wednesday	February 22, 2023
Wednesday	March 22, 2023
Wednesday	April 26, 2023
Wednesday	May 24, 2023
Wednesday	June 7, 2023
Wednesday	July 26, 2023
Wednesday	August 23, 2023
Wednesday	September 27, 2023
Wednesday	October 25, 2023
Wednesday	November 15, 2023
Wednesday	December 6, 2023



November 7, 2022

MEMORANDUM:

TO: NEW RIVER RESOURCE AUTHORITY BOARD MEMBERS

FROM: JOSEPH R. LEVINE, P.E.
EXECUTIVE DIRECTOR 

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

This report includes the following:

- Waste Stream Report for October 2022
- Operations Summary

In summary of the Balance Sheet, revenues to date are 11.1% above projections and expenses are 5.4% below projections to date. The amount transferred to the Reserve Fund for the month of October 2022, was \$190,978.37. The total year to date transferred to the Reserve Fund is \$820,451.83.

Operations Summary

October 27, Marjorie Atkins, and I toured Trova Commercial Vehicles in Fairlawn.

October 28, Ike Snider, and I conducted a site tour for Patrick County Administrator and the Solid Waste Supervisor.

October 28, I conducted a site tour for the Montgomery County Assistant Commonwealth Attorney Chris Obenshain.

November 3, Marjorie Atkins, Thad Ball, Dave Rupe, and Chis Hale (Kalsor IT) conducted "go live" with new Wasteworks software update.

November 3, Dave Rupe, Adam Slaughter, Willy Ellison, and Ike Snider met with Carter Machinery representatives about Caterpillar remote monitoring options.

November 3, Dave Rupe attended SWANA webinar on Solving Public Space Waste Challenges.

November 4, Dave Rupe attended SWANA applied research online class on PFAS landfill leachate treatment options.

UPCOMING

November 11, NRRA staff are scheduled to meet with All Roads Equipment in Salem to discuss Bomag service issues and agreement.

The NRRA Audit Committee is scheduled to meet at 10:30 am on November 16.

November 16, Scott Wickham with Robinson Farmer Cox will present the 2021-2022 Financial Audit report during the regularly scheduled Board Meeting.

**WASTE STREAM REPORT FOR
OCTOBER 2022**

MEMBER JURISDICTION	MUNICIPAL SOLID WASTE	CONST. DEBRIS	CLEAN WOOD	POTW/IND	ASH	TIRES	TOTALS	% OF TOTAL
TOWN OF DUBLIN	64.16	0.00	0.00	0.00	0.00	0.00	64.16	
DUBLIN INDUST./COMMERCIAL	32.17	97.99	1.06	0.00	0.00	2.98	134.20	
DUBLIN PRIVATE	0.44	2.09	0.00	0.00	0.00	0.00	2.53	
DUBLIN TOTAL	96.77	100.08	1.06	0.00	0.00	2.98	200.89	1.15
GILES COUNTY P. S. A.	1077.67	18.53	19.70	0.00	0.00	0.00	1115.90	
GILES CO. INDUST./COMMERCIAL	47.18	94.53	0.00	27.28	0.00	0.00	168.99	
GILES COUNTY PRIVATE	0.37	0.00	0.00	0.00	0.00	0.42	0.79	
GILES COUNTY TOTAL	1125.22	113.06	19.70	27.28	0.00	0.42	1285.68	7.36
MONTGOMERY REGIONAL SWA	6140.85	0.00	0.00	0.00	0.00	0.00	6140.85	
MONTGOMERY COUNTY	29.73	65.85	0.00	403.39	0.00	0.00	498.97	
MONTGOMERY COUNTY	6170.58	65.85	0.00	403.39	0.00	0.00	6639.82	37.99
PULASKI COUNTY P. S. A.	2413.47	2997.14	1.74	514.39	0.00	3.42	5930.16	
PULASKI CO. IND./COMMERCIAL	201.72	519.87	63.52	294.92	0.00	13.49	1093.52	
PULASKI COUNTY PRIVATE	15.79	18.54	3.92	0.00	0.00	0.00	38.25	
PULASKI COUNTY TOTAL	2630.98	3535.55	69.18	809.31	0.00	16.91	7061.93	40.40
CITY OF RADFORD	542.37	0.00	0.00	0.00	0.00	0.00	542.37	
RADFORD INDUST./COMMERCIAL	264.93	41.23	2.65	0.00	0.00	2.78	311.59	
RADFORD PRIVATE	0.11	0.00	0.00	0.00	0.00	0.00	0.11	
RADFORD UNIVERSITY	91.65	0.00	0.62	0.00	0.00	0.25	92.52	
RADFORD TOTAL	899.06	41.23	3.27	0.00	0.00	3.03	946.59	5.42
NON MEMBERS								
FLOYD COUNTY	1031.92	0.00	0.00	0.00	0.00	0.00	1031.92	5.90
WYTHE/BLAND CO.	149.29	32.99	0.00	129.11	0.00	0.00	311.39	1.78
ROANOKE VR AUTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NRRA TOTALS	12103.82	3888.76	93.21	1369.09	0.00	23.34	17478.22	100.00

WASTE STREAM REPORT FOR
JULY - OCTOBER 2022

MEMBER JURISDICTION	MUNICIPAL SOLID WASTE	CONST. DEBRIS	CLEAN WOOD	POTW/IND	ASH	TIRES	TOTALS	% OF TOTAL
TOWN OF DUBLIN	258.44	0.00	0.00	0.00	0.00	0.49	258.93	0.34
DUBLIN INDUST./COMMERCIAL	66.05	400.41	8.12	0.00	0.00	2.98	477.56	
DUBLIN PRIVATE	7.07	6.74	0.00	0.00	0.00	0.00	13.81	
DUBLIN TOTAL	331.56	407.15	8.12	0.00	0.00	3.47	750.30	1.00
GILES COUNTY P. S. A.	4560.35	46.51	68.28	0.00	0.00	0.00	4675.14	6.23
GILES CO. INDUST./COMMERCIAL	111.88	351.66	1.92	94.19	0.00	0.00	559.65	
GILES COUNTY PRIVATE	1.57	1.68	0.00	0.00	0.00	0.71	3.96	
GILES COUNTY TOTAL	4673.80	399.85	70.20	94.19	0.00	0.71	5238.75	6.98
MONTGOMERY REGIONAL SWA	26162.20	0.00	0.00	0.00	0.00	0.00	26162.20	34.85
MONTGOMERY COUNTY	81.94	300.86	5.53	1597.27	0.00	4.89	1990.49	
MONTGOMERY COUNTY	26244.14	300.86	5.53	1597.27	0.00	4.89	28152.69	37.50
PULASKI COUNTY P. S. A.	10924.77	12285.63	29.66	1908.05	0.00	34.36	25182.47	33.54
PULASKI CO. IND./COMMERCIAL	944.78	3767.39	237.20	941.84	0.00	55.25	5946.46	
PULASKI COUNTY PRIVATE	74.29	59.92	14.44	0.00	0.00	0.00	148.65	
PULASKI COUNTY TOTAL	11943.84	16112.94	281.30	2849.89	0.00	89.61	31277.58	41.66
CITY OF RADFORD	2395.88	1.37	3.07	0.00	0.00	1.21	2401.53	3.20
RADFORD INDUST./COMMERCIAL	827.14	166.54	14.44	0.00	0.00	5.88	1014.00	
RADFORD PRIVATE	2.22	4.03	0.00	0.00	0.00	0.00	6.25	
RADFORD UNIVERSITY	381.40	0.00	2.29	0.00	0.00	0.29	383.98	
RADFORD TOTAL	3606.64	171.94	19.80	0.00	0.00	7.38	3805.76	5.07
NON MEMBERS								
FLOYD COUNTY	4382.75	126.67	0.00	0.00	0.00	0.00	4509.42	6.01
WYTHE/BLAND CO.	640.72	97.44	0.00	604.88	0.00	0.00	1343.04	1.79
ROANOKE VR AUTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NRRA TOTALS	51823.45	17616.85	384.95	5146.23	0.00	106.06	75077.54	100.00