



AGENDA
NRRA BOARD MEETING
WEDNESDAY, NOVEMBER 17, 2021
12:00 NOON
NEW RIVER RESOURCE AUTHORITY
DUBLIN, VIRGINIA:

- I. ROLL CALL AND DETERMINATION OF QUORUM**
- II. APPROVAL OF NOVEMBER 17, 2021, AGENDA**
- III. APPROVAL OF**
 - A. Minutes of October 27, 2021
 - B. Minutes of November 9, 2021, Audit Committee Meeting
- IV. ITEMS OF CONSENT**
 - A. NRRA Check List
 - B. Financial Statement
- V. ADMINISTRATION**
 - A. Executive Director's Report
 - B. Fiscal Year 2020/2021 Annual Audit
 - C. Area D Phase II Pay Request 17
 - D. Update on Expanded Scope of Audit (from September meeting)
 - E. 2022 Board Meeting Schedule
 - F. December 2021 Meeting
- VI. ENGINEERING**
 - A. Ingles Mountain
 - B. New River Solid Waste Management Area
 - C. West Fork Mitigation Project
- VII. PUBLIC COMMENTS**

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 OCTOBER 27, 2021 AT 12:00 PM,
NRRRA ADMINISTRATION BUILDING,
DUBLIN, VIRGINIA:

PRESENT: Mr. Barry Helms, Chairman
Mr. Paul Baker, Vice-Chair
Mr. Robert Asbury, Member
Dr. Chris Kiwus, Member
Mr. Andy McCready, Member
Mr. Tom Starnes, Member
Mr. Tye Kirkner, Member
Mr. Jonathan Sweet, Member

STAFF: Mr. Joseph Levine, NRRRA Executive Director
Ms. Marjorie Atkins, NRRRA Recording Secretary
Mr. David Rupe, NRRRA
Mr. Howard Estes, Legal Counsel
Mr. Clayton Hester, Legal Counsel

ATTENDEES/

GUESTS: Mr. Andrew Monk, Thompson & Litton
Mr. Adam Murray, Thompson & Litton
Mr. Chris Hale, Kalsor IT Consulting
Mr. Tim Kirtner, Pulaski County
Mr. Kevin Belcher, Giles County

Chairman Helms called the meeting to order at noon.

Mr. Helms noted that he would like to add a vote by the Board on who would be able to attend the closed meeting just before the closed meeting. He noted that it had been requested that all member jurisdiction legal counsels and any other attendees from member jurisdictions be included in the closed meeting.

The motion to approve the October 27, 2021 Agenda with the amendment was made by Mr. Starnes. The motion was seconded by Mr. Baker and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCready	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>yes</u>

The motion to approve the Minutes from the September 22, 2021 meeting was made by Mr. Baker. The motion was seconded by Mr. McCready and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCready	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>abstain</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>yes</u>

The Check List for the month of September 2021 was presented. Mr. Sweet asked for a more detailed itemization of invoices for legal services. He noted that he had issue with the fact that the Authority was 128% above budget for that line item.

The motion to get a more detailed itemization of legal services was made by Mr. Sweet. The motion was seconded by Mr. Kirkner and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCreedy	<u>yes</u>
Mr. Baker	<u>no</u>	Mr. Starnes	<u>no</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>no</u>

The motion to approve the Check List for the month of September 2021 was made by Mr. Baker. The motion was seconded by Mr. McCreedy and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCreedy	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>no</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>yes</u>

Mr. McCreedy asked that a column regarding the percent of the Budget Year remaining also be added to the Financial Statement.

The motion to approve the Financial Statements for the month of September 2021 was made by Mr. McCreedy. The motion was seconded by Mr. Sweet and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCreedy	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>yes</u>

Mr. Levine presented the Executive Director's Report. 16,100.43 tons of waste was managed during September. Revenue was 31% above projections (RVRA revenue and adjustment not made for MRSWA revenue from May received after the first of fiscal year.) and expenses were near projections. The Authority entered a one-year contract with Lusk Disposal for hauling away and recycling tires. Mr. Rupe has worked with CHA on an update of the Authority's Health and Safety Plan. Chesapeake Liner working on placing liner in Area D this week. Mr. Levine has attended meetings of the Waste Diversion and Recycling Task Force. Proposals have included \$2.00 and \$3.00 waste tax per ton. Mr. Levine is drafting letter to legislators opposing the proposals. Mr. Levine was appointed to and has attended meetings of the Non-Hazardous Solid Waste Fee Study Group. The group has been tasked with increasing fees to fund DEQ. Mr. Kirkner requested that Mr. Levine share the letter so that members might also send letters. Mr. Starnes asked about installing securing cameras at the West Fork site, Mr. Levine stated that grant money was proposed to be used but that a final cost would be given to the Board before moving forward.

Mr. Levine presented his October 19, 2021 regarding "Request Appropriation for purchase of landfill compactor and a hydraulic excavator. Utilizing Sourcewell, the national direct purchase organization, Carter Machinery quoted at 2021 CAT 313 excavator for \$239,714 and a CAT 836 compactor for \$1,249,500 with a buy back of 160,000 at 10,000 hours. VML/VACO quoted preliminary financing for five years at 1.5% and seven years at 1.75%. Mr. Levine recommended that \$400,000 be appropriated from the Equipment Fund toward the lease/purchase. Mr. Levine will coordinate review of all documents with legal counsel. Mr. McCready noted that these were great deals.

The motion to accept both bids from Carter Machinery and for the Executive Director to proceed with the purchase of a CAT 313 for \$239,714 and for the CAT 836 landfill compactor for \$1,249,500 with the guaranteed buy back of \$160,000 was made by Mr. McCready. The motion was seconded by Mr. Starnes and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCready	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>yes</u>

The 2022 Holiday Schedule was included in the Agenda Package.

Mr. Levine presented the Engineering Section of the Agenda.

Ingles Mountain – LaBella has been evaluating the active gas recovery system.

NRSWMA – DEQ was on site to inspect the construction project and also conducted an inspection of the facility. A report from the inspection has not been received. Mr. Monk reported on new water testing requirements regarding PCB's. In January 2020 one sample was higher than normal and one was lower. The underdrain was below normal limits and the leachate was six times higher. Thompson and Litton continue to investigate the source. Mr. Kirkner asked if DEQ had given any notification of a potential response. Mr. Monk stated no. He did note that PCB 11 is the highest and that it is a by-product of yellow dye. Mr. Kirkner noted that Pepper's Ferry Wastewater Treatment Authority has been tasked with finding the source from its testing also. Mr. Levine noted that the amount of PCB's that causes the overage is about a tablespoon.

West Fork – No report.

The Chairman invited public comments.

No comments were presented.

Dr. Kiwus asked for dates for the November and December meetings:

Audit Committee	November 9
Board Meeting	November 17
Board Meeting	December 8

The motion was made to allow all member jurisdiction legal counsels and all member representatives present to attend the closed meeting by Mr. Sweet. The meeting was seconded by Mr. Kirkner and failed by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>no</u>	Mr. McCready	<u>yes</u>
Mr. Baker	<u>no</u>	Mr. Starnes	<u>no</u>
Dr. Kiwus	<u>no</u>	Mr. Sweet	<u>yes</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>no</u>

The motion for the Authority Board to convene in Closed Meeting for the purpose of consultation with legal counsel regarding Investigation of Possible Data Breach pursuant to Virginia Code Section 2.2-37711(A) (8) and that the following persons be in attendance: Board members present, alternates, Howard Estes, Clayton Hester, Marjorie Atkins, Joe Levine, David Rupe and Chris Hale was made by Mr. Asbury. The motion was seconded by Mr. Baker and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCready	<u>no</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>no</u>
Mr. Kirkner	<u>no</u>	Mr. Helms	<u>yes</u>

The Board reconvened in open session and regular meeting. The public was invited back into the meeting room.

Mr. McCready, "I hereby move to reconvene the regular meeting and for certification pursuant to Section 2.2-3712(D) of the Code of Virginia, that the Board of Directors, to the best of each Director's knowledge, heard, discussed or considered only public business matters lawfully exempted from open meeting requirements by the Freedom of Information Act in the closed meeting of this date, and only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Directors of the New River Resource Authority". The motion was seconded by Mr. Asbury and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCready	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>yes</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>yes</u>

The motion that the NRRRA Board received the report from counsel regarding possible data breach at NRRRA and unauthorized access was made by Mr. McCready. The motion was seconded by Mr. Baker and approved by a recorded roll call vote of the Board as follows:

Mr. Asbury	<u>yes</u>	Mr. McCready	<u>yes</u>
Mr. Baker	<u>yes</u>	Mr. Starnes	<u>yes</u>
Dr. Kiwus	<u>yes</u>	Mr. Sweet	<u>no</u>
Mr. Kirkner	<u>yes</u>	Mr. Helms	<u>yes</u>

The meeting adjourned at 2:35 pm by unanimous consent.

The next regularly scheduled meeting of the Board of Directors of the Authority is scheduled for Wednesday, November 17, 2021, 12:00 noon, at 7100 Cloyd's Mountain Road.

Respectfully Submitted,

Marjorie W. Atkins
NRRA Recording Secretary

Approved at _____ Board Meeting.

Barry Helms, Chair

AT A MEETING OF THE NEW RIVER RESOURCE AUTHORITY
AUDIT COMMITTEE
HELD ON NOVEMBER 9, 2021, AT 9:00 AM,
NRRRA ADMINISTRATION BUILDING,
DUBLIN, VIRGINIA:

PRESENT: Mr. Robert Asbury, Member
Dr. Chris Kiwus, Member

ABSENT: Mr. Barry Helms, Chairman

STAFF: Mr. Joseph Levine, NRRRA Executive Director
Ms. Marjorie Atkins, NRRRA Recording Secretary
Mr. David Rupe, NRRRA

ATTENDEES/
GUESTS: Mr. Scott Wickham, Robinson, Farmer, Cox Associates (RFC)

Mr. Levine noted that the Audit Committee had been in existence for two years and met annually for the auditor to review the audit and talk about the audit process prior to the presentation to the full Board.

Mr. Wickham noted that Ms. Atkins uploads transactions, minutes, and other items monthly for the audit. RFC's team was on site at the end of August for the part of the audit to pull and review invoices, construction requisitions, site tour, etc.

Dr. Kiwus asked if Mr. Wickham was aware of the expanded scope of the audit that the Board had approved at the September meeting. Mr. Wickham answered that he was but that he could not certify anything but the past two years, from the audits his firm conducted. He also noted that records from thirty years ago do not exist. He also stated that five years would be the maximum time for a review of past records because of retention requirements.

Mr. Wickham presented the full audit report.

-Clean audit, materially correct.

-Receivable up because of RVRA

-Authority in fantastic shape

-DEQ liabilities will continue to grow due to new cell opening

Mr. Asbury asked if the audit revealed any funds owed to any member of the Authority? Mr. Wickham answered that the Authority did not have any financial obligation to any member of the Authority.

Mr. Wickham continued that more expenses from Reserves from construction of new cell will decrease reserves. He noted that the Authority has collateralized cash for financial assurance rather than lines of credit/debt. He noted that DEQ Financial Assurance was located in the "Liability" section. Overall, the Authority has a strong position. Other notes VRS investments had a stronger return in 2021 than anticipated and may reduce the unfunded liability next year. Regarding compliance, no internal control issues to report, he noted again, "a very good audit".

Mr. Wickham noted that the Authority having reserves gives the Authority options. Mr. Levine noted that reserves allow the Authority to plan for known expenses (cell closure or construction) and also the unknowns because of the cash position due to the planning of the Board. Mr. Wickham agreed and noted that the Authority does not have to pass increases on to the members because of reserve accounts.

Mr. Wickham also noted that the decrease in the Authority's revenue would have been \$4.5 million for the year without the Roanoke Valley Resource Authority revenue.

There were no more questions from the Audit Committee. Mr. Asbury stated that the auditor and his firm are experts in the field and are very knowledgeable in conducting audit reviews of the Authority's industry and are very competent. Mr. Wickham added that the audit team included two CPA's.

The Committee discussed the expanded audit scope with Mr. Wickham. It was noted that previous audits were conducted by independent third parties and all accepted by the NRRA Board annually. Mr. Wickham confirmed that all minutes are read and reviewed as part of the audit annually. The decision was made to report the status of this item to the Board at the November 17, 2021, meeting.

The meeting adjourned at 10:50 pm by unanimous consent.

The next regularly scheduled meeting of the Board of Directors of the Authority is scheduled for Wednesday, November 17, 2021, 12:00 noon, at 7100 Cloyd's Mountain Road.

Respectfully Submitted,

Marjorie W. Atkins
NRRA Recording Secretary

Approved at _____ Board Meeting.

Barry Helms, Chair

**NRRA CHECKLIST
FOR THE MONTH OF OCTOBER 2021**

<u>ACCOUNT</u>	<u>VENDOR</u>	<u>AMOUNT PAID</u>	<u>EXPLANATION</u>
500.02	NATIONAL BANK	\$146.70	BOARD DIRECT EXPENSE
520.03	ANTHEM BLUE CROSS & BLUE SHIELD	\$33,299.09	HOSPITALIZATION/MEDICAL
520.04	MINNESOTA LIFE INSURANCE CO.	\$452.19	LIFE INSURANCE
520.08	AFLAC	\$714.62	MISC. BENEFITS
520.08	CINTAS	\$288.13	MISC. BENEFITS
520.08	NORTON LIFE LOCK	\$112.84	MISC. BENEFITS
520.08	BILL RATCLIFFE	\$194.99	MISC. BENEFITS -SAFETY BOOTS/ WELLNESS
520.10	CINTAS	\$786.94	UNIFORMS
520.11	DELTA DENTAL	\$1,397.96	DENTAL
601.01	ESTES LAW & CONSULTING	\$172.50	LEGAL - FOIA MATTERS
601.01	ESTES LAW & CONSULTING	\$2,725.50	LEGAL - IT MATTERS
601.01	ESTES LAW & CONSULTING	\$1,276.50	LEGAL - GENERAL MATTERS
601.01	SPOTTSFAIN	\$725.00	LEGAL - IT INVESTIGATION
603.01	THOMPSON & LITTON, INC.	\$285.80	ENGINEERING - GENERAL
603.01	THOMPSON & LITTON, INC.	\$7,198.12	ENGINEERING - GENERAL
603.01	THOMPSON & LITTON, INC.	\$490.00	ENGINEERING - GENERAL
603.01	THOMPSON & LITTON, INC.	\$3,973.00	ENGINEERING - GENERAL
603.01	SCS ENGINEERS	\$4,300.00	ENGINEERING - GENERAL
603.01	SCS ENGINEERS	\$1,007.00	ENGINEERING - GENERAL
603.01	SCS ENGINEERS	\$11,013.95	ENGINEERING - GENERAL
603.02	THOMPSON & LITTON, INC.	\$1,095.00	ENGINEERING - SURVEYING
604.01	DARRYL J. GILLESPIE, PC	\$1,200.00	ACCOUNTING
608.14	THOMPSON & LITTON, INC.	\$990.50	SURFACE WATER TESTING
702.10	CAROLINA SOFTWARE	\$200.00	OFFICE EQUIPMENT & SUPPLIES
702.10	KALSOR IT CONSULTING	\$709.63	OFFICE EQUIPMENT & SUPPLIES
702.10	KALSOR IT CONSULTING	\$219.15	OFFICE EQUIPMENT & SUPPLIES
702.10	SAFEGUARD BUSINESS SYSTEMS	\$348.72	OFFICE EQUIPMENT & SUPPLIES
702.10	NATIONAL BANK	\$1,535.47	OFFICE EQUIPMENT & SUPPLIES
702.10	COBB TECHNOLOGIES	\$4.10	OFFICE EQUIPMENT & SUPPLIES
702.10	PULASKI COUNTY - IT	\$300.00	OFFICE EQUIPMENT & SUPPLIES
703.10	PITNEY BOWES GLOBAL FINANCE SVC.	\$35.22	POSTAGE
703.10	PITNEY BOWES GLOBAL FINANCE SVC.	\$250.78	POSTAGE - METER RENTAL
705.10	DAVE RUPE	\$50.00	TRAINING & EDUCATION
705.10	SWANA	\$223.00	TRAINING & EDUCATION
706.10	JOE LEVINE	\$321.67	MEETINGS & TRAVEL
706.10	DAVE RUPE	\$57.68	MEETINGS & TRAVEL
706.10	JOE LEVINE	\$301.28	MEETINGS & TRAVEL
751.80	APPALACHIAN POWER	\$2,816.25	ELECTRICITY
751.80	CITY OF RADFORD	\$26.47	ELECTRICITY
752.50	ALL POINTS BROADBAND	\$99.95	TELEPHONE SERVICE - INTERNET
752.50	HOMETOWN SECURITY, INC.	\$255.00	TELEPHONE SERVICE
752.50	NATIONAL BANK	\$152.49	TELEPHONE SERVICE
752.50	TELRITE CORPORATOIN	\$16.29	TELEPHONE SERVICE
752.50	VERIZON	\$493.54	TELEPHONE SERVICE
752.50	VERIZON WIRELESS	\$463.65	TELEPHONE SERVICE
753.81	PUBLIC SERVICE AUTHORITY	\$2,845.81	LEACHATE TREATMENT - NRSWMA
753.81	CITY OF RADFORD	\$12.24	LEACHATE TREATMENT
753.81	HOMETOWN SECURITY, INC.	\$475.00	LEACHATE TREATMENT
753.81	NORTHWEST HARDWARE CO., INC.	\$45.85	LEACHATE TREATMENT

**NRRA CHECKLIST
FOR THE MONTH OF OCTOBER 2021
PAGE 2**

<u>ACCOUNT</u>	<u>VENDOR</u>	<u>AMOUNT PAID</u>	<u>EXPLANATION</u>
753.90	LMC SAFETY BARRICADE CORP.	\$6,014.00	SCALE SERVICE
754.10	CINTAS	\$1,131.87	SUPPLIES & MAINTENANCE
754.10	BROWN EXTERMINATING CO.	\$105.00	SUPPLIES & MAINTENANCE
754.10	AYERS & SONS SEPTIC, LLC	\$100.00	SUPPLIES & MAINTENANCE
754.10	CRYSTAL SPRINGS	\$69.47	SUPPLIES & MAINTENANCE
754.10	CAVALIER SUPPLY CO., INC.	\$256.85	SUPPLIES & MAINTENANCE
754.10	AYERS & SONS SEPTIC, LLC	\$100.00	SUPPLIES & MAINTENANCE
790.10	FLOYD COUNTY TREASURER'S OFFICE	\$70.87	WEST FORK PROPERTY
801.01	LIZETH F. JACKSON #186	\$250.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #185	\$250.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #187	\$250.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #188	\$250.00	GENERAL MAINTENANCE
801.01	LIZETH F. JACKSON #189	\$250.00	GENERAL MAINTENANCE
802.01	CAROLINA REGRIGERANT RECOVERY	\$140.00	BMP GENERAL
803.01	NORTHWEST ACE HARDWARE	\$1,326.69	TOOLS & SUPPLIES - GENERAL
803.01	GRAINGER	\$411.26	TOOLS & SUPPLIES - GENERAL
803.01	SANDY'S CHEVRON	\$639.00	TOOLS & SUPPLIES - GENERAL
803.01	GRAINGER	\$171.16	TOOLS & SUPPLIES - GENERAL
803.01	GILBERT AUTO PARTS	\$399.00	TOOLS & SUPPLIES - GENERAL
805.10	HOLSTON RIVER	\$2,289.91	GRAVEL
807.11	CARTER MACHINERY COMPANY, INC.	\$4,550.00	SOFTWARE LICENSE
807.21	CUMMINS	\$3,364.66	TEREX 390
807.31	THC ENTERPRISES, INC.	\$784.00	MECHANIC TRUCK
807.34	CARTER MACHINERY COMPANY, INC.	\$767.90	CAT D6T
807.41	CARTER MACHINERY COMPANY, INC.	\$24.02	JCB FORKLIFT
807.41	O'REILLY AUTOMOTIVE, INC.	\$84.98	JCB FORKLIFT
807.42	JAMES RIVER EQUIPMENT	\$115.88	JD SKID STEER
807.44	JAMES RIVER EQUIPMENT	\$3,645.92	JD DOZER 1050
807.45	O'REILLY AUTOMOTIVE, INC.	\$14.99	KAWASAKI MULES
807.45	GILBERT AUTO PARTS	\$19.86	KAWASAKI MULES
807.48	JAMES RIVER EQUIPMENT	\$4,509.69	BOWMAG COMPACTOR
809.15	SARVER'S HYDRAULICS, INC.	\$335.92	MOTOR VEHICLES - GENERAL
813.02	HUTCHENS PETROLEUM	\$432.16	FUELS & FLUIDS
813.02	GREAT LAKES PETROLEUM	\$755.77	FUELS & FLUIDS
813.02	GREAT LAKES PETROLEUM	\$12,162.60	FUELS & FLUIDS
813.02	GREAT LAKES PETROLEUM	\$2,084.19	FUELS & FLUIDS
920.06	THE PATRIOT	\$200.00	FUELS & FLUIDS
920.06	FRONTLINE LOGISTICS INC.	\$3,010.00	TIRES
920.06	FRONTLINE LOGISTICS INC.	\$3,020.75	TIRES
125	THOMPSON & LITTON, INC.	\$849,510.79	AREA D
125	LABELLA	\$3,495.81	AREA D
125	SALEM STONE	\$19,444.54	AREA D

NRRA CHECKLIST
FOR THE MONTH OF OCTOBER 2021
PAGE 3

<u>ACCOUNT</u>	<u>VENDOR</u>	<u>AMOUNT PAID</u>	<u>EXPLANATION</u>
<u>PAYROLL:</u>			
NET PAYROLL		\$65,701.33	
VA DEPARTMENT OF TAXATION		\$4,562.39	
VEC UNEMPLOYMENT		\$25.25	
US TREASURY DEPARTMENT		\$24,262.83	
ICMARC		\$3,771.20	
MINNESOTA LIFE INSURANCE CO.		\$452.19	
AFLAC		\$714.62	
BUREAU OF CHILD SUPPORT ENFORCEMENT		\$649.00	
TOTAL		\$1,113,053.89	

11:38 AM

11/09/21

Accrual Basis

NEW RIVER RESOURCE AUTHORITY

Balance Sheet

As of October 31, 2021

Oct 31, 21

ASSETS

Current Assets

Checking/Savings

100.01 CASH O & M NBB	928,954.41
100.02 CASH DEV & CLOSURE NBB	6,365,774.70
100.03 CASH INGLES NBB	996,241.40
100.04 CASH EQUIPMENT FUND	1,464,093.55
100.05 CASH ENVIRONMENTAL FUND	83,792.91
100.06 PETTY CASH - NBB	2,700.38
100.07 FLEXIBLE SPENDING ACCT	7,838.63
100.08 CASH VRS UNFUNDED LIAB	339,729.22
108.01 NBB FINANCIAL ASSURANCE	8,804,425.99
109.01 NBB - INGLES FUNDS	2,061,089.99
110.01 CASH - ENVIR FUND INVEST	1,023,995.70
111.01 INGLES ENVIR FUND INVES	1,023,995.71

Total Checking/Savings 23,102,632.59

Accounts Receivable

ACCOUNTS RECEIVABLE

190.20 ACCOUNTS RECEIVABLE 661,621.43

Total ACCOUNTS RECEIVABLE 661,621.43

Total Accounts Receivable 661,621.43

Other Current Assets

125.00 A/R OFFSET	-661,621.43
180 A/R	1,254,554.05
192 DEF OUTFLOWS-PENSION	378,898.00
194 PREPAID INSURANCE	33,299.00
CIP	-132,104.59
DEFERRED OUTFLOWS-OPEB	22,155.00

Total Other Current Assets 895,180.03

Total Current Assets 24,659,434.05

Other Assets

120 LAND	1,087,105.64
125 LANDFILL & FACILITIES	42,772,247.66
126 ACC DEP LANDFILL & FACILI	-26,190,700.32
130 EQUIPMENT	7,614,947.22
131 ACC DEP EQUIPMENT	-5,060,392.00
145 VEHICLES	339,849.47
146 ACC DEPR VEHICLES	-265,227.00

Total Other Assets 20,297,830.67

TOTAL ASSETS 44,957,264.72

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

202 ACCOUNTS PAYABLE 50.00

Total Accounts Payable 50.00

11:38 AM

11/09/21

Accrual Basis

NEW RIVER RESOURCE AUTHORITY

Balance Sheet

As of October 31, 2021

	Oct 31, 21
Other Current Liabilities	
203 ACCOUNTS PAYABLE	63,037.68
208 STATE WITHHELD	-2,356.88
211 ACCRUED PAYROLL	58,007.73
212 457 PLAN	-4,650.76
213 AFLAC PAYABLE	7,248.19
215 ACCRUED ANNUAL LEAVE	192,684.52
216 PR TAX DUE ACCRUED LEAVE	14,740.37
218 CHILD SUPPORT	649.00
219 ACCRUED FLEX SPENDING	-124.24
240 CLOSURE COST LIABILITY	9,024,106.00
241 DEFER INFLOW OF RES-PENSI...	103,672.00
241.01 LOAN PAYABLE-HAUL TRUCK	404,427.50
243 DEFER INFLOW OF RES-OPEB	8,188.00
244 VRS - NET PENSION LIABILITY	638,207.00
245 VRS OPEN LIABILITY (HIC)	-4,855.00
246 VRS - OPER LIABILITY (GLI)	92,429.00
Payroll Liabilities	-314.40
Total Other Current Liabilities	10,595,095.71
Total Current Liabilities	10,595,145.71
Total Liabilities	10,595,145.71
Equity	
318 RETAINED EARNINGS	28,512,398.09
319 UNRESTRICTED NET ASSET	4,392,928.43
Net Income	1,456,792.49
Total Equity	34,362,119.01
TOTAL LIABILITIES & EQUITY	44,957,264.72

NEW RIVER RESOURCE AUTHORITY

Profit Loss Budget Performance

OCTOBER 2021

	OCT 2021	JULY-OCT 2021	Annual Budget	Budget Balance	% Budget	% YTD (33)
Revenue:					33%	
402 REVENUE - PULASKI COUNTY	93,895.74	379,244.39	1,109,000.00	729,755.61	34%	1.2%
403 REVENUE - RADFORD CITY	14,843.76	60,317.20	208,525.00	148,207.80	29%	-4.1%
404 REVENUE - DUBLIN TOWN	2,652.24	10,778.03	33,875.00	23,096.97	32%	-1.2%
405 REVENUE -GILES COUNTY	28,204.43	121,889.55	370,280.00	248,390.45	33%	-0.1%
406 REVENUE MSW - MRSWA	140,036.64	702,561.19	1,787,925.00	1,085,363.81	39%	6.3%
410 INTEREST INCOME/DIVIDEND INCOME	15,189.05	82,014.78	200,000.00	117,985.22	41%	8.0%
414 REVENUE - NON-MEMBER	110,528.62	1,853,106.99	1,232,905.00	(620,201.99)	150%	117.3%
415 REVENUE - MISC. SALES	0.00	0.00	50,000.00	50,000.00	0%	-33.0%
498 GAS TO ENERGY REVENUE	13,448.53	45,899.62	75,000.00	29,100.38	61%	28.2%
Total Operating Revenue	418,799.01	3,255,811.75	5,067,510.00	1,811,698.25	64%	31.2%
Expense:						
500.01 BOARD COMPENSATION	2,550.00	10,200.00	40,800.00	30,600.00	25%	-8.0%
500.02 BOARD EXPENSES	146.70	510.62	6,000.00	5,489.38	9%	-24.5%
500.03 TRAVEL & MEETINGS	0.00	0.00	500.00	500.00	0%	-33.0%
501.05 SALARIES & WAGES F/T	29,075.26	130,583.22	395,000.00	264,416.78	33%	0.1%
501.15 SALARIES & WAGES O/T	0.00	0.00	2,000.00	2,000.00	0%	-33.0%
502.05 SALARIES & WAGES F/T	64,474.91	291,377.48	870,000.00	578,622.52	33%	0.5%
502.15 SALARIES & WAGES O/T	3,800.03	18,702.67	26,100.00	7,397.33	72%	38.7%
511.00 BANK ADMIN FEES	0.00	712.64	2,000.00	1,287.36	36%	2.6%
512.00 TRUST FUND EXPENSE	1,818.69	7,281.89	0.00	(7,281.89)		
520.01 FICA	6,992.70	32,385.05	90,000.00	57,614.95	36%	3.0%
520.02 VRS RETIREMENT	6,490.56	26,070.23	100,000.00	73,929.77	26%	-6.9%
520.03 HOSPITAL/MEDICAL	33,299.09	124,869.60	460,000.00	335,130.40	27%	-5.9%
520.04 LIFE INSURANCE	1,367.61	5,428.36	15,500.00	10,071.64	35%	2.0%
520.05 VEC UNEMPLOYMENT INS	25.25	135.60	500.00	364.40	27%	-5.9%
520.06 WORKER COMPENSATION INS	0.00	21,908.00	35,000.00	13,092.00	63%	29.6%
520.07 MEDICAL EXPENSES	0.00	0.00	3,000.00	3,000.00	0%	-33.0%
520.08 MISCELLANEOUS BENEFITS	1,256.14	11,460.87	20,000.00	8,539.13	57%	24.3%
520.10 UNIFORMS/SPECIAL CLOTH	786.94	2,468.02	16,000.00	13,531.98	15%	-17.6%
520.11 DENTAL INSURANCE	1,397.96	5,985.38	19,000.00	13,014.62	32%	-1.5%
601.01 LEGAL	4,899.50	43,262.00	30,000.00	(13,262.00)	144%	111.2%
603.01 ENGINNERING- GENERAL	28,267.87	84,181.24	330,000.00	245,818.76	26%	-7.5%
603.02 ENGINEERING -SURVEYING	1,095.00	2,531.06	25,000.00	22,468.94	10%	-22.9%
603.03 FINANCIAL ASSURANCE	0.00	0.00	25,000.00	25,000.00	0%	-33.0%
604.01 ACCOUNTING	1,200.00	4,800.00	18,000.00	13,200.00	27%	-6.3%
605.01 AUDITOR	0.00	0.00	15,000.00	15,000.00	0%	-33.0%
608.11 GW TEST & REPORT NRSWMA	0.00	720.00	35,000.00	34,280.00	2%	-30.9%
608.14 SURFACE WATER TESTING	990.50	5,804.56	8,000.00	2,195.44	73%	39.6%
609.01 LANDFILL GAS MANAGEMENT PROC	(622.63)	15,145.36	50,000.00	34,854.64	30%	-2.7%
630.01 DEQ PERMIT FEE	0.00	19,924.68	25,000.00	5,075.32	80%	46.7%
660.10 GENERAL LIABILITY	0.00	5,739.00	9,000.00	3,261.00	64%	30.8%
660.30 HEAVY EQUIP INSURANCE	0.00	7,575.00	11,000.00	3,425.00	69%	35.9%
660.40 VEHICLE INSURANCE	0.00	9,030.00	11,000.00	1,970.00	82%	49.1%
660.60 EMPLOYEE BOND	0.00	265.00	500.00	235.00	53%	20.0%
660.70 PHYSICAL PROPERTY	0.00	5,892.00	12,000.00	6,108.00	49%	16.1%
702.10 OFFICE EQUIPMENT & SUPPLIES	3,317.07	8,684.71	30,000.00	21,315.29	29%	-4.1%
703.10 POSTAGE	286.00	370.00	5,500.00	5,130.00	7%	-26.3%

NEW RIVER RESOURCE AUTHORITY

Profit Loss Budget Performance

OCTOBER 2021

	OCT 2021	JULY-OCT 2021	Annual Budget	Budget Balance	% Budget	% YTD (33)
705.10 TRAINING & EDUCATION	273.00	322.00	5,000.00	4,678.00	6%	-26.6%
706.10 MEETING & TRAVEL	680.63	1,503.71	8,000.00	6,496.29	19%	-14.2%
708.10 DUES & ASSOC MEMBERSHPS	0.00	318.00	1,500.00	1,182.00	21%	-11.8%
709.10 ADVERTISEMENTS	0.00	0.00	12,000.00	12,000.00	0%	-33.0%
710.10 PROMOTIONS	0.00	0.00	5,000.00	5,000.00	0%	-33.0%
751.80 ELECTRICITY	2,842.72	13,071.78	40,000.00	26,928.22	33%	-0.3%
752.50 COMMUNICATION SERVICES & ALAF	1,480.92	4,653.05	20,000.00	15,346.95	23%	-9.7%
753.81 WATER AND WASTE WATER SYSTEI	3,378.90	23,383.59	45,000.00	21,616.41	52%	19.0%
753.90 SCALE SERVICE	6,014.00	7,783.98	4,000.00	(3,783.98)	195%	161.6%
754.10 SUPPLIES & MAINTENANCE - GENE	1,763.19	16,145.53	40,000.00	23,854.47	40%	7.4%
770.10 GAS SERVICE	0.00	0.00	18,000.00	18,000.00	0%	-33.0%
780.10 POST CLOSURE CARE	0.00	(118.80)	25,000.00	25,118.80	0%	-33.5%
790.10 WEST FORK PROPERTY	70.87	70.87	5,000.00	4,929.13	1%	-31.6%
801.01 GENERAL MAINTENANCE	1,250.00	5,036.00	25,000.00	19,964.00	20%	-12.9%
802.01 BMP GENERAL	140.00	27,526.84	40,000.00	12,473.16	69%	35.8%
803.01 TOOLS & SUPPLIES GENERAL	2,947.11	4,895.58	5,000.00	104.42	98%	64.9%
805.10 GRAVEL-M.S.W. AREA	2,289.91	11,512.56	60,000.00	48,487.44	19%	-13.8%
807.01 EQUIPMENT BUDGET	17,881.90	42,657.54	350,000.00	307,342.46	12%	-20.8%
809.01 VEHICLE PARTS & MAINT	335.92	3,510.10	25,000.00	21,489.90	14%	-19.0%
810.20 HEAVY EQUIPMENT RENTAL	0.00	0.00	10,000.00	10,000.00	0%	-33.0%
813.02 FUELS AND FLUIDS	15,434.72	52,240.97	220,000.00	167,759.03	24%	-9.3%
920.05 HHW CONTRACT SERVICES	0.00	11,494.00	40,000.00	28,506.00	29%	-4.3%
920.06 TIRE PROGRAM	6,230.75	41,398.40	80,000.00	38,601.60	52%	18.7%
Total Operating Expenses	255,929.69	1,171,409.94	3,824,900.00	2,653,490.06	31%	-2.4%
Net Operating Income	162,869.32	2,084,401.81	1,242,610.00	(841,791.81)	168%	134.7%
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	62,226.00	74,959.00	0.00	(74,959.00)		
Budget Reserve Transfer	0.00	0.00	(510,000.00)	(510,000.00)	0%	-33.0%
Total Non Operating Expenses	200,388.58	627,609.32	556,201.00	(71,408.32)	113%	79.8%
Net Income	(37,519.26)	1,456,792.49	686,409.00	(770,383.49)	212%	179.2%



November 9, 2021

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 2021
- Operations Summary

In summary of the Balance Sheet, revenues to date are 31.2% above projections and expenses are 2.4% below projections to date. The amount transferred to the Development/Closure and Equipment Fund for the month of October 2021, was \$177,317.25. The total year to date transferred to the Development/Closure Fund, Equipment Fund and Environmental Fund is \$889,995.04.

Operations Summary

October 26, Thad Ball and Bill Ratcliff conducted routine monitoring and maintenance at the Ingles Mountain facility. Dave Rupe conducted the Ingles Mountain facility monthly inspection.

October 29, NRRA landfill gas (methane) destruction project for selling of Greenhouse Gas (GHG) credits of 2020 is in the final review phase with the Climate Action Reserve (CAR).

November 2, Perennial Energy was on site conducting annual flare station calibration and inspection.

November 3, an injured deer was found on the Area D liner. The VDGIF game warden was contacted. The deer was properly euthanized on site and the carcass was disposed in the landfill. No damages were reported to the liner.

November 4, Dave Rupe and Marjorie Atkins conducted updated COVID protocol training with NRRA staff.

November 9, Marjorie Akins, Dave Rupe and I attended the NRRA Audit Committee meeting with Mr. Asbury and Dr. Kiwus. Scott Wickham with Robinson Farmer Cox was there to provide the audit process and summary of findings to be presented to the NRRA Board of Directors during the November Board Meeting.

November 9, Dave Rupe will be attending a virtual SWANA webinar discussing how artificial intelligence can be used to lower operation costs.

November 10, Dave Rupe will be attending a virtual SWANA webinar on health and safety.

**WASTE STREAM REPORT FOR
OCTOBER 2021**

MEMBER JURISDICTION	MUNICIPAL SOLID WASTE	CONST. DEBRIS	CLEAN WOOD	POTW/IND	ASH	TIRES	TOTALS	% OF TOTAL
TOWN OF DUBLIN	57.56	0.00	0.00	0.00	0.00	0.00	57.56	
DUBLIN INDUST./COMMERCIAL	52.60	52.96	1.29	0.00	0.00	0.00	106.85	
DUBLIN PRIVATE	0.32	1.40	0.00	0.00	0.00	0.00	1.72	
DUBLIN TOTAL	110.48	54.36	1.29	0.00	0.00	0.00	166.13	1.02
GILES COUNTY P. S. A.	1002.21	12.87	13.24	0.00	0.00	5.08	1033.40	
GILES CO. INDUST./COMMERCIAL	29.15	534.22	0.00	16.96	0.00	0.10	580.43	
GILES COUNTY PRIVATE	0.87	0.00	0.00	0.00	0.00	0.00	0.87	
GILES COUNTY TOTAL	1032.23	547.09	13.24	16.96	0.00	5.18	1614.70	9.94
MONTGOMERY REGIONAL SWA	6822.92	0.00	0.00	0.00	0.00	0.00	6822.92	
MONTGOMERY COUNTY	0.24	14.00	0.26	329.09	0.00	0.00	343.59	
MONTGOMERY COUNTY	6823.16	14.00	0.26	329.09	0.00	0.00	7166.51	44.12
PULASKI COUNTY P. S. A.	2600.98	271.21	4.00	622.51	0.00	7.37	3506.07	
PULASKI CO. IND./COMMERCIAL	149.99	785.47	68.25	374.72	0.00	7.06	1385.49	
PULASKI COUNTY PRIVATE	16.03	16.74	5.81	0.00	0.00	0.00	38.58	
PULASKI COUNTY TOTAL	2767.00	1073.42	78.06	997.23	0.00	14.43	4930.14	30.35
CITY OF RADFORD	558.63	0.00	0.00	0.00	0.00	0.00	558.63	
RADFORD INDUST./COMMERCIAL	163.35	99.27	7.04	0.00	0.00	1.01	270.67	
RADFORD PRIVATE	0.86	0.19	0.27	0.00	0.00	0.00	1.32	
RADFORD UNIVERSITY	162.85	0.00	1.00	0.00	0.00	0.00	163.85	
RADFORD TOTAL	885.69	99.46	8.31	0.00	0.00	1.01	994.47	6.12
NON MEMBERS								
FLOYD COUNTY	990.68	0.34	0.00	30.35	0.00	0.44	1021.81	6.29
WYTHE/BLAND CO.	207.47	0.00	0.00	140.74	0.00	1.84	350.05	2.15
ROANOKE VR AUTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NRRA TOTALS	12816.71	1788.67	101.16	1514.37	0.00	22.90	16243.81	100.00

WASTE STREAM REPORT FOR											
JANUARY - DECEMBER 2020											
MONTH	MSW	CONST. DEBRIS	PALLETS	BRUSH/ CLEAN WOOD	SP WASTE w/ USER FEE	SP WASTE w/o USER FEE	TIRES	TOTALS	YTD TONS		
January 2020	15320.26	1389.67	64.71	12.17	1556.43	563.92	17.77	18924.93	18924.93		
February 2020	10596.17	1642.06	61.45	18.43	1531.70	195.05	25.75	14070.61	32995.54		
March 2020	12547.24	1254.90	57.38	94.83	1644.15	0.00	13.56	15612.06	48607.60		
April 2020	13101.21	1327.47	74.92	58.48	1163.77	48.90	9.64	15784.39	64391.99		
May 2020	12519.13	1162.25	52.01	59.82	1119.83	0.00	36.99	14950.03	79342.02		
June 2020	12772.50	1005.08	37.52	54.40	1343.54	0.00	31.90	15244.94	94586.96		
July 2020	12419.27	1783.48	0.00	66.10	1605.65	0.00	49.74	15924.24	110511.20		
August 2020	12488.50	607.34	0.00	84.08	1405.59	0.00	54.36	14639.87	125151.07		
September 2020	12566.76	627.38	0.00	111.69	1292.36	0.00	37.62	14635.81	139786.88		
October 2020	12137.09	987.35	0.00	118.30	1268.20	0.00	46.33	14557.27	154344.15		
November 2020	25219.51	1111.96	0.00	85.94	1381.81	0.00	26.80	27826.02	182170.17		
December 2020	11986.51	635.89	0.00	105.88	1343.61	0.00	25.52	14097.41	196267.58		
NRRA TOTALS	163674.15	13534.83	347.99	870.12	16656.64	807.87	375.98	196267.58			
WASTE STREAM REPORT FOR											
JANUARY - DECEMBER 2021											
MONTH	MSW	CONST. DEBRIS	CLEAN WOOD	SP WASTE w/ USER FEE	SP WASTE w/o USER FEE	TIRES	TOTALS	YTD TONS			
January 2021	9864.99	1628.86	60.44	1324.13	0.00	29.33	12907.75	12907.75			
February 2021	9754.00	603.68	67.40	1249.83	0.00	21.86	11696.77	24604.52			
March 2021	13251.82	874.62	159.98	1816.73	0.00	89.70	16192.85	40797.37			
April 2021	30193.21	1235.89	80.12	2597.77	0.00	26.88	34133.87	74931.24			
May 2021	29943.28	1739.16	74.93	1509.49	0.00	31.49	33298.35	108229.59			
June 2021	33554.44	927.94	68.09	1447.77	0.00	90.12	36088.36	144317.95			
July 2021	30832.08	1050.53	83.37	1275.13	0.00	35.68	33276.79	177594.74			
August 2021	13085.43	1341.37	116.49	1383.33	0.00	53.34	15979.96	193574.70			
September 2021	12322.92	2044.68	246.20	1453.42	0.00	33.21	16100.43	209675.13			
October 2021	12816.71	1788.67	101.16	1514.37	0.00	22.90	16243.81	225918.94			
November 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
December 2021	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
NRRA TOTALS	195618.88	13235.40	1058.18	15571.97	0.00	434.51	225918.94				

NEW RIVER RESOURCE AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

**NEW RIVER RESOURCE AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

TABLE OF CONTENTS

FINANCIAL SECTION

	<u>Exhibit</u>	<u>Page</u>
Directory of Principal Officials		1
Independent Auditors' Report		2-3
Management's Discussion and Analysis		4-9
Basic Financial Statements:		
Statement of Net Position	1	10
Statement of Revenues, Expenses, and Changes in Net Position	2	11
Statement of Cash Flows	3	12
Notes to the Financial Statements		13-47
Required Supplementary Information:		
<i>VRS Pension Plan:</i>		
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios.....	4	48
Schedule of Employer Contributions	5	49
Notes to Required Supplementary Information	6	50
<i>VRS Group Life Insurance (GLI) Plan:</i>		
Schedule of Authority's Share of Net OPEB Liability	7	51
Schedule of Employer Contributions	8	52
Notes to Required Supplementary Information	9	53
<i>VRS Health Insurance Credit (HIC) Plan:</i>		
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios.....	10	54
Schedule of Employer Contributions	11	55
Notes to Required Supplementary Information	12	56

COMPLIANCE SECTION

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	57-58
--	-------

NEW RIVER RESOURCE AUTHORITY
DUBLIN, VIRGINIA
FOR THE YEAR ENDED JUNE 30, 2021

(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. Chris Kiwus
Montgomery Regional Solid Waste Authority

Mr. Tye Kirkner
Town of Dublin

Mr. Andy McCready
County of Pulaski

Mr. Jonathan Sweet
County of Pulaski

OFFICIALS

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

FINANCIAL SECTION



Independent Auditors' Report

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

Report on the Financial Statements

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, 2021, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021, 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.

Other Matters

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 on pages 4-9 and 48-56 be presented to supplement the basic financial statements. Such information, 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 26, 2021, 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.



Blacksburg, Virginia
October 26, 2021

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021. 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, 2021 increased to \$32,919,540 from \$31,150,271 at June 30, 2020. Net position is composed of net investment in capital assets for the year ended June 30, 2021 increased to \$18,098,569 from \$15,178,781 at June 30, 2020. *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, 2021 decreased to \$14,820,971 from \$15,971,490 at June 30, 2020.

The Authority had revenues of \$7,204,534, which exceeded the expenses of \$5,435,265 resulting in an increase to net position of \$1,769,269.

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.

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.

NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021 (CONTINUED)

FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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.

The remainder of this page is left blank intentionally.

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021 (CONTINUED)**

CONDENSED FINANCIAL INFORMATION

Table A presents the Condensed Statement of Net Position for the years ended June 30, 2021 and 2020. At June 30, 2021 and 2020, unrestricted net position was \$14,820,971 and \$15,971,490, respectively. Of total net position, unrestricted net position represented 45.0% and 51.3% for fiscal year 2021 and 2020, respectively.

TABLE A:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets		
Current assets	\$ 24,609,245	\$ 25,504,411
Noncurrent assets	18,750,136	15,315,793
Total assets	<u>\$ 43,359,381</u>	<u>\$ 40,820,204</u>
 Deferred outflows of resources	 <u>\$ 405,988</u>	 <u>\$ 267,054</u>
 Liabilities		
Current liabilities	\$ 624,604	\$ 413,302
Noncurrent liabilities	10,110,789	9,342,573
Total liabilities	<u>\$ 10,735,393</u>	<u>\$ 9,755,875</u>
 Deferred inflows of resources	 <u>\$ 110,436</u>	 <u>\$ 181,112</u>
 Net Position		
Net investment in capital assets	\$ 18,098,569	\$ 15,178,781
Unrestricted	14,820,971	15,971,490
Total net position	<u><u>\$ 32,919,540</u></u>	<u><u>\$ 31,150,271</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 \$32,919,540 and \$31,150,271, at June 30, 2021 and 2020, 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 2021, 55.0% 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, 2021 (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, 2021 and 2020.

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, 2021</u>	<u>June 30, 2020</u>
Revenues		
Operating revenues:		
Landfill charges	\$ 6,779,866	\$ 4,716,966
Gas to energy revenues	80,921	72,793
Miscellaneous	225,397	279,542
Nonoperating revenues	118,350	521,305
Total revenues	\$ 7,204,534	\$ 5,590,606
Expenses		
Operating expenses:		
Operations	\$ 3,471,891	\$ 3,169,631
Closure and postclosure	294,585	658,155
Depreciation	1,657,930	1,617,754
Nonoperating expenses	10,859	25,716
Total expenses	\$ 5,435,265	\$ 5,471,256
Change in Net Position	<u>\$ 1,769,269</u>	<u>\$ 119,350</u>

Landfill charges for fiscal year 2021 increased by 43.73% to \$6,779,866 compared to \$4,716,966 from fiscal year 2020. The Authority disposed of 246,275 tons of waste in the current fiscal year as compared to 192,217 in the prior year. One large nonmember customer disposed of 63,126 more tons in the current fiscal year resulting in an increase of charges totaling \$2,209,397.

The Authority's operations expenses increased by 9.54% to \$3,471,891 from \$3,169,631 as a result of increased pension, health insurance, and noncapitalizable engineering costs.

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, 2021 (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, 2021, the Authority has \$18,743,958 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 \$5,090,950. Depreciation expense for the year ending June 30, 2021 was \$1,657,930. Considering depreciation expense and the Authority's capital asset additions, total net investment in capital assets increased to \$18,743,958 at June 30, 2021 from \$15,310,938 at June 30, 2020, for a total net difference of \$3,433,020. The majority of the investment in capital assets was comprised of the following:

- (1) Dump truck
- (1) Kawasaki Mule ATV

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 \$5,755,505. Additional information on the Authority's capital assets can be found in Note 4 in the notes to the financial statements.

Long-term Obligations

As of June 30, 2021, the Authority reported total outstanding debt and obligations of \$10,371,960. These items are detailed at Note 3 of the financial statements. This total is an increase of \$830,951 from the amounts reported as of June 30, 2020. The majority of this increase results as an increase in the landfill closure and post closure estimates which are detailed in Note 5 of the financial statements as well as an increase to the VRS net pension liability and the issuance of a \$434,100 capital lease for the purchase of a dump truck.

During 2021, the Authority paid off its outstanding note payable with Pulaski County, Virginia in the amount of \$153,647 ahead of the originally agreed-upon repayment schedule. The Authority also issued a capital lease in the amount of \$434,100 to purchase a dump truck financed with a 1.347% interest rate with semi-annual payments of \$32,596 ending in September 2027.

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021 (CONTINUED)**

CAPITAL ASSETS and LONG-TERM DEBT (CONTINUED)

Long-term Obligations (Continued)

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

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 may increase with 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, 2021

ASSETS

Current Assets:		
Cash and cash equivalents	\$	12,404,324
Investments		2,057,522
Investments with trustee - closure/postclosure care		8,844,525
Accounts receivable - members		413,851
Accounts receivable - trade, net of allowance		855,724
Prepaid items		33,299
Noncurrent Assets:		
Net OPEB asset		6,178
Capital assets (net of accumulated depreciation):		
Land		1,087,106
Construction in progress		5,755,505
Landfill and support facilities		9,261,158
Equipment and vehicles		2,640,189
Total capital assets (net of accumulated depreciation)	\$	18,743,958
Total assets	\$	43,359,381

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	\$	378,898
OPEB related items		27,090
Total deferred outflows of resources	\$	405,988

LIABILITIES

Current Liabilities:		
Accounts payable - operations	\$	63,088
Accounts payable - construction		236,710
Retainage payable		4,251
Interest payable		1,589
Payroll liabilities		57,795
Capital lease - current portion		59,946
Landfill closure/postclosure liability - current portion		180,482
Compensated absences - current portion		20,743
Noncurrent Liabilities:		
Capital lease - long-term portion		344,482
Net OPEB liability		97,794
Net pension liability		638,207
Compensated absences - long-term portion		186,682
Landfill closure/postclosure liability - long-term portion		8,843,624
Total liabilities	\$	10,735,393

DEFERRED INFLOWS OF RESOURCES

Pension related items	\$	103,672
OPEB related items		6,764
Total deferred inflows of resources	\$	110,436

NET POSITION

Net investment in capital assets	\$	18,098,569
Unrestricted		14,820,971
Total net position	\$	32,919,540

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, 2021

OPERATING REVENUES	
Landfill charges, net of user rebates	\$ 6,779,866
Gas-to-energy	80,921
Miscellaneous	<u>225,397</u>
Total operating revenues	<u>\$ 7,086,184</u>
OPERATING EXPENSES	
Members' compensation	\$ 42,675
Salaries and wages	1,279,002
Employee benefits and payroll taxes	762,127
Professional services	346,310
Office expenses, postage, and advertising	36,886
Insurance	26,283
Dues, licenses, and subscriptions	20,381
Telephone and communications	23,474
Travel	1,049
Training and education	5,012
Uniforms and special clothing	9,317
Utilities	78,232
Clay and gravel	70,490
Fuels	196,530
Leachate treatment	78,827
Seeding and erosion	8,629
Tools and supplies	61,678
Equipment rental	21,693
Repairs and maintenance	320,183
Miscellaneous	3,226
Methane, ground water, and leachate monitoring	79,887
Landfill closure and postclosure expense	294,585
Depreciation	<u>1,657,930</u>
Total operating expenses	<u>\$ 5,424,406</u>
Net operating income (loss)	<u>\$ 1,661,778</u>
Nonoperating revenues (expenses):	
Interest and dividend income	\$ 235,127
Unrealized gain (loss) on investments	(116,777)
Interest expense	<u>(10,859)</u>
Total nonoperating revenues (expenses)	<u>\$ 107,491</u>
Change in Net Position	<u>\$ 1,769,269</u>
Net Position at beginning of year	<u>31,150,271</u>
Net Position at end of year	<u>\$ 32,919,540</u>

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, 2021

Cash flows from operating activities:	
Cash received from customers	\$ 6,232,632
Cash payments to suppliers for goods and services	(1,346,379)
Cash payments to employees	(2,011,243)
Net cash provided by (used for) operating activities	\$ 2,875,010
Cash flows from noncapital and related financing activities:	
Principal payments on notes payable	\$ (153,647)
Interest payments on indebtedness	(6,346)
Net cash provided by (used for) noncapital and related financing activities	\$ (159,993)
Cash flows from capital and related financing activities:	
Interest payments on indebtedness	\$ (2,924)
Principal payments on capital lease	(29,672)
Proceeds from capital lease	434,100
Purchase of capital assets	(4,982,146)
Net cash provided by (used for) capital and related financing activities	\$ (4,580,642)
Cash flows from investing activities:	
Interest income	\$ 164,821
Purchase of investments	(14,202,470)
Proceeds from sale of investments	14,202,470
Net cash provided by (used for) investing activities	\$ 164,821
Net increase (decrease) in cash and cash equivalents	\$ (1,700,804)
Cash and cash equivalents at beginning of year	14,105,128
Cash and cash equivalents at end of year	\$ 12,404,324
<i>Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities:</i>	
Net operating income (loss)	\$ 1,661,778
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 1,657,930
Decrease (increase) in accounts receivable	(853,552)
Decrease (increase) in prepaid items	1,443
Decrease (increase) in net OPEB asset	(1,323)
Decrease (increase) in deferred outflows of resources	(138,934)
Increase (decrease) in accounts payable	40,265
Increase (decrease) in payroll liabilities	(2,091)
Increase (decrease) in compensated absences	35,348
Increase (decrease) in net OPEB liability	5,365
Increase (decrease) in net pension liability	244,872
Increase (decrease) in deferred inflows of resources	(70,676)
Increase (decrease) in landfill closure/postclosure liability	294,585
Total adjustments	\$ 1,213,232
Net cash provided by (used for) operating activities	\$ 2,875,010
Schedule of non-cash capital and related financing activities:	
Purchase of property, plant and equipment included in construction payables	\$ 240,961

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, 2021**

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.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

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.

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 position 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 position 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.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

F. Net Position: (Continued)

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.

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. 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.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

J. Capital Assets (Continued)

Capital assets are depreciated 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.

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.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

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, 2021, 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.

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, 2021 were held in the Authority's name by the Authority's custodial bank.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 2 - Deposits and Investments: (Continued)

Credit Risk of Debt Securities: The Authority's rated debt investments as of June 30, 2021 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			
	Fair Quality Ratings		
<u>Rated Debt Investments</u>	<u>AAAm</u>	<u>AAA</u>	<u>Total</u>
Government Agency Bonds	\$ -	\$ 10,337,270	\$ 10,337,270
Money Market Funds	564,777	-	564,777
Total Investments	<u>\$ 564,777</u>	<u>\$ 10,337,270</u>	<u>\$ 10,902,047</u>

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

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>		
	<u>Less 1 yr</u>	<u>1-5 yrs</u>	<u>Total</u>
Government Agency Bonds	\$ 1,201,080	\$ 9,136,190	\$ 10,337,270
Money Market Funds	564,777	-	564,777
Total	<u>\$ 1,765,857</u>	<u>\$ 9,136,190</u>	<u>\$ 10,902,047</u>

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.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 2 - Deposits and Investments: (Continued)

Fair Value Measurements: (Continued)

The Authority has the following recurring fair value measurements as of June 30, 2021:

Investment	6/30/2021	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	\$ 10,337,270	\$ 10,337,270	\$ -	\$ -
Money Market Funds	564,777	564,777	-	-
Total	<u>\$ 10,902,047</u>	<u>\$ 10,902,047</u>	<u>\$ -</u>	<u>\$ -</u>

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% available letter of credit. As of June 30, 2021, the Authority has secured the Letter of Credit with National Bank in the amount of \$10,715,653 to cover the total estimated closure and post-closure liability of \$9,024,106. Total funds held as of collateral as of June 30, 2021 were \$10,902,047, exceeding the minimum requirement by \$186,394. See Note 5 for further details of the closure and postclosure care costs liability.

In addition to the funds restricted for financial assurance purposes, the Authority has set aside internally 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, 2021:

	Balance July 1, 2020	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2021
Direct borrowings and placements:				
Notes payable	\$ 153,647	\$ -	\$ (153,647)	\$ -
Capital Lease	-	434,100	(29,672)	404,428
Compensated absences	172,077	52,556	(17,208)	207,425
Landfill closure and postclosure	8,729,521	469,175	(174,590)	9,024,106
Net pension liability	393,335	426,859	(181,987)	638,207
Net OPEB liability	92,429	29,221	(23,856)	97,794
Total	<u>\$ 9,541,009</u>	<u>\$ 1,411,911</u>	<u>\$ (580,960)</u>	<u>\$ 10,371,960</u>

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 3 - Long-Term Obligations: (Continued)

Details of long-term obligations:

	Total Amount	Amount Due Within One Year
<u>Other Obligations:</u>		
Compensated absences	\$ 207,425	\$ 20,743
Landfill closure and post closure	9,024,106	180,482
Capital lease	404,428	59,946
Net pension liability	638,207	-
Net OPEB liability	97,794	-
Total Other Obligations	<u>\$10,371,960</u>	<u>\$ 261,171</u>
Total Long-term Obligations	<u>\$10,371,960</u>	<u>\$ 261,171</u>

Note 4 - Capital Lease:

The Authority has entered into a capital lease to finance the acquisition of a 2020 Caterpillar 730 Dump Truck. This lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the minimum lease payments at the date of inception.

2020 Dump Truck	\$ 434,100
Less: Accumulated depreciation	(32,349)
Net capital assets	<u>\$ 401,751</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2021, is as follows:

Year Ending June 30	Capital Lease
2022	\$ 65,192
2023	65,192
2024	65,192
2025	65,192
2026	65,192
2027-2028	<u>97,789</u>
Sub-total	\$ 423,749
Less: Amount representing interest	<u>(19,321)</u>
Present value of minimum lease payments	<u>\$ 404,428</u>

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 5 - Capital Assets:

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,087,106	\$ -	\$ -	\$ 1,087,106
Construction in progress	1,137,091	4,618,414	-	5,755,505
Total capital assets, not being depreciated	\$ 2,224,197	\$ 4,618,414	\$ -	\$ 6,842,611
Capital assets, being depreciated:				
Landfill and support facilities	\$ 34,877,066	\$ 15,448	\$ -	\$ 34,892,514
Equipment	7,165,355	457,088	-	7,622,443
Vehicles	339,849	-	-	339,849
Total capital assets, being depreciated	\$ 42,382,270	\$ 472,536	\$ -	\$ 42,854,806
Accumulated depreciation:				
Landfill and support facilities	\$ (24,544,952)	\$ (1,086,404)	\$ -	\$ (25,631,356)
Equipment	(4,517,620)	(539,308)	-	(5,056,928)
Vehicles	(232,957)	(32,218)	-	(265,175)
Total accumulated depreciation	\$ (29,295,529)	\$ (1,657,930)	\$ -	\$ (30,953,459)
Capital assets, net	\$ 15,310,938	\$ 3,433,020	\$ -	\$ 18,743,958

Current year capital asset additions include construction payables and retainage payable of \$240,961.

The remainder of this page is left blank intentionally

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (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, 2021 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, 2021, is \$9,024,106 and includes \$8,915 designated for the old Ingles Mountain Debris Landfill site (now closed); \$465,624 designated for the old Ingles Mountain Sanitary Landfill site (now closed); \$8,291,612 designated for the new Cloyd's Mountain landfill; and \$257,955 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 \$9,983,159, of which 83.06% has been recognized as noted above based on usage. As such, \$1,691,547 or 16.94% 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, 2021 (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.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 7 - Pension Plan: (Continued)

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.

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, 2019 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>18</u>
Total covered employees	<u><u>30</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.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Contributions (Continued)

The Authority's contractually required employer contribution rate for the year ended June 30, 2021 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 \$84,896 and \$67,468 for the years ended June 30, 2021 and June 30, 2020, 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, rolled forward to the measurement date of June 30, 2020.

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, 2019, 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, 2020.

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*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 7 - Pension Plan: (Continued)

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, 2020, 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, 2020 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.

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	\$ 3,336,590	\$ 2,943,255	\$ 393,335
Changes for the year:			
Service cost	\$ 99,893	\$ -	\$ 99,893
Interest	222,815	-	222,815
Differences between expected and actual experience	102,230	-	102,230
Contributions - employer	-	67,171	(67,171)
Contributions - employee	-	57,569	(57,569)
Net investment income	-	57,247	(57,247)
Benefit payments	(71,248)	(71,248)	-
Administrative charges	-	(1,852)	1,852
Other	-	(69)	69
Net changes	\$ 353,690	\$ 108,818	\$ 244,872
Balances at June 30, 2021	\$ 3,690,280	\$ 3,052,073	\$ 638,207

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 7 - Pension Plan: (Continued)

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	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
Authority's				
Net Pension Liability (Asset)	\$	1,198,639	\$ 638,207	\$ 177,142

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

For the year ended June 30, 2021, the Authority recognized pension expense of \$126,220. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience \$	131,114	\$ 73,657
Change in assumptions	71,324	30,015
Net difference between projected and actual earnings on pension plan investments	91,564	-
Employer contributions subsequent to the measurement date	84,896	-
Total	\$ 378,898	\$ 103,672

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$84,896 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, 2022. 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

2022	\$	34,303
2023		42,616
2024		70,127
2025		43,284
2026		-
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 8 - Other Postemployment Benefits (OPEB) Summary:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net OPEB Liability (Asset)</u>	<u>OPEB Expense</u>
VRS OPEB Plans:				
Group Life Insurance (GLI) Plan	\$ 25,111	\$ 2,921	\$ 97,794	\$ 4,770
Health Insurance Credit (HIC) Plan	1,979	3,843	(6,178)	81
Totals	<u>\$ 27,090</u>	<u>\$ 6,764</u>	<u>\$ 91,616</u>	<u>\$ 4,851</u>

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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, safety belt 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 \$8,616 as of June 30, 2021.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (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% ($1.34\% \times 60\%$) and the employer component was 0.54% ($1.34\% \times 40\%$). 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, 2021 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 \$6,544 and \$6,267 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the entity reported a liability of \$97,794 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 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, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.00586% as compared to 0.00568% at June 30, 2019.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense \$4,770. 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.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (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)

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,273	\$ 879
Net difference between projected and actual earnings on GLI OPEB plan investments	2,938	-
Change in assumptions	4,891	2,042
Changes in proportion	4,465	-
Employer contributions subsequent to the measurement date	<u>6,544</u>	<u>-</u>
Total	\$ <u>25,111</u>	\$ <u>2,921</u>

\$6,544 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, 2022. 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:

Year Ended June 30

2022	\$ 2,514
2023	3,344
2024	4,101
2025	4,135
2026	1,395
Thereafter	157

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020. 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*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00 to 6.75%

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, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,523,937
Plan Fiduciary Net Position	1,855,102
GLI Net OPEB Liability (Asset)	\$ 1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%

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, 2021 (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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

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 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, 2020, 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, 2020 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.

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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the GLI Plan Net OPEB Liability	\$ 128,557	\$ 97,794	\$ 72,811

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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 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.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

Employees Covered by Benefit Terms

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Active members	18
Total covered employees	<u>18</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, 2021 was 0.05% 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 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 \$603 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net HIC OPEB Liability (Asset)

The Authority's net HIC OPEB liability (asset) was measured as of June 30, 2020. The total HIC OPEB liability (asset) was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

Actuarial Assumptions

The total HIC OPEB liability (asset) was based on an actuarial valuation as of June 30, 2019, 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, 2020.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (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*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

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

Long-Term Expected Rate of Return: (Continued)

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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).

The remainder of this page is left blank intentionally.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (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, 2019	\$ 19,767	\$ 24,622	\$ (4,855)
Changes for the year:			
Service cost	\$ 848	\$ -	\$ 848
Interest	1,334	-	1,334
Differences between expected and actual experience	(2,451)	-	(2,451)
Contributions - employer	-	603	(603)
Net investment income	-	500	(500)
Other changes	-	(49)	49
Net changes	\$ (269)	\$ 1,054	\$ (1,323)
Balances at June 30, 2020	\$ 19,498	\$ 25,676	\$ (6,178)

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)	\$ (3,475)	\$ (6,178)	\$ (8,447)

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (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

For the year ended June 30, 2021, the Authority recognized HIC Plan OPEB expense of \$81. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Authority's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience \$	51	\$ 3,071
Net difference between projected and actual earnings on HIC OPEB plan investments	831	-
Change in assumptions	491	772
Employer contributions subsequent to the measurement date	606	-
Total	\$ 1,979	\$ 3,843

\$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, 2022. 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

2022	\$ (471)
2023	(301)
2024	(296)
2025	(317)
2026	(481)
Thereafter	(604)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2020-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, 2021 (CONTINUED)

Note 11 - Related Party Transactions:

The following table summarizes fees received and accounts receivable from members of the Authority as of and for the year ended June 30, 2021:

	<u>Operating Revenues</u>	<u>Accounts Receivable</u>
	2021	2021
City of Radford	\$ 168,880	\$ 15,351
Pulaski County Public Service Authority	1,148,325	102,937
Town of Dublin	28,632	2,817
Montgomery Regional Solid Waste Authority	1,446,375	263,843
Giles County Public Service Authority	358,723	28,903
	<u>\$ 3,150,935</u>	<u>\$ 413,851</u>

Note 12 - Litigation:

As of June 30, 2021, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable.

Note 13 - Risk Management:

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates with other localities in a public entity risk pool for its coverage of general liability, property, equipment, crime and auto insurance with the Virginia 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 14 - Commitments and Contingencies:

Construction Contracts:

<u>Project</u>	<u>Contract Total</u>	<u>Amount Outstanding</u>	<u>Related Payables</u>
NRRA Landfill Area D Expansion - Construction	\$ 4,028,993	\$ 3,943,967	\$ 85,029
NRRA Landfill Area D Expansion - Engineering	-	-	155,932

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 15 - Subsequent Events:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the Authority, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes the Authority is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

Note 16 - Upcoming Pronouncements:

Statement No. 87, *Leases*, requires 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 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 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 reporting periods beginning after June 15, 2022.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021 (CONTINUED)

Note 16 - Upcoming Pronouncements: (Continued)

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 reporting periods beginning after June 15, 2022.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement. No 32*, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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, 2020

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 99,893	\$ 91,001	\$ 94,049	\$ 98,852	\$ 89,180	\$ 84,434	\$ 78,289
Interest	222,815	211,355	190,756	187,083	165,841	151,390	140,116
Differences between expected and actual experience	102,230	(58,080)	74,020	(110,287)	91,906	22,001	-
Changes in assumptions	-	118,402	-	(85,603)	-	-	-
Benefit payments	(71,248)	(76,039)	(38,183)	(51,834)	(49,986)	(52,756)	(61,962)
Net change in pension liability	\$ 353,690	\$ 286,639	\$ 320,642	\$ 38,211	\$ 296,941	\$ 205,069	\$ 156,443
Total pension liability - beginning	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)	\$ 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	\$ 67,171	\$ 63,799	\$ 82,888	\$ 82,319	\$ 82,209	\$ 74,465	\$ 73,049
Contributions - employee	57,569	54,090	51,814	51,834	49,304	44,810	41,240
Net investment income	57,247	185,594	185,253	263,874	38,061	85,513	245,470
Benefit payments	(71,248)	(76,039)	(38,183)	(51,834)	(49,986)	(52,756)	(61,962)
Administrator charges	(1,852)	(1,749)	(1,488)	(1,402)	(1,169)	(1,091)	(1,265)
Other	(69)	(117)	(375)	(470)	(15)	(19)	13
Net change in plan fiduciary net position	\$ 108,818	\$ 225,578	\$ 279,909	\$ 344,321	\$ 118,404	\$ 150,922	\$ 296,545
Plan Fiduciary Net Position - beginning	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)	\$ 3,052,073	\$ 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)	\$ 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	82.71%	88.21%	89.11%	89.32%	77.79%	82.49%	83.33%
Covered payroll	\$ 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	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, 2012 THROUGH JUNE 30, 2021

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)
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%
2012	43,470	43,470	-	724,505	6.00%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2021

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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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 2020

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)
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, 2012 THROUGH JUNE 30, 2021

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)
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%
2012	2,029	2,029	-	724,505	0.28%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE YEAR ENDED JUNE 30, 2021

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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE MEASUREMENT DATES OF JUNE 30, 2018 THROUGH JUNE 30, 2020

	2020	2019	2018
Total HIC OPEB Liability			
Service cost	\$ 848	\$ 784	\$ 700
Interest	1,334	1,281	1,157
Differences between expected and actual experience	(2,451)	(1,260)	78
Changes of assumptions	-	659	-
Benefit payments	-	-	(335)
Net change in total HIC OPEB liability	\$ (269)	\$ 1,464	\$ 1,600
Total HIC OPEB Liability - beginning	19,767	18,303	16,703
Total HIC OPEB Liability - ending (a)	\$ 19,498	\$ 19,767	\$ 18,303
Plan Fiduciary Net Position			
Contributions - employer	\$ 603	\$ 557	\$ 939
Net investment income	500	1,491	1,494
Benefit payments	-	-	(335)
Administrator charges	(49)	(33)	36
Other	-	(2)	(171)
Net change in plan fiduciary net position	\$ 1,054	\$ 2,013	\$ 1,963
Plan fiduciary net position - beginning	24,622	22,609	20,646
Plan fiduciary net position - ending (b)	\$ 25,676	\$ 24,622	\$ 22,609
Authority's net HIC OPEB liability (asset) - ending (a) - (b)	\$ (6,178)	\$ (4,855)	\$ (4,306)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	131.69%	124.56%	123.53%
Covered payroll	\$ 1,205,173	\$ 1,114,119	\$ 1,042,658
Authority's net HIC OPEB liability (asset) as a percentage of covered payroll	-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, 2012 THROUGH JUNE 30, 2021

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)
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%
2012	1,231	1,231	-	724,505	0.17%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE YEAR ENDED JUNE 30, 2021

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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COMPLIANCE SECTION



**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, 2021, 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 26, 2021.

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 may exist that have not been identified.

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.



Blacksburg, Virginia
October 26, 2021

AREA D

PROJECT

PAY

REQUEST

17

Account Name	Pay Request Expenditures	Expenditures to Date	Budget	Balance
INFRASTRUCTURE	\$18,383.95	\$968,806.58	\$1,500,000.00	\$512,809.47
Engineering #1 @	\$0.00	\$208,943.00	\$215,880.00	\$6,937.00
LFG Contract #1	\$0.00	\$16,485.99	\$25,000.00	\$8,514.01
^^CONSTRUCTION - MAIN ST.	\$0.00	\$2,507,599.35	\$2,507,599.35	\$0.00
**CONSTRUCTION - Phase II	\$694,828.54	\$1,981,044.58	\$4,087,467.00	\$1,411,593.88
***Construction Contingency	\$0.00	\$37,654.58	\$494,986.00	\$457,331.42
****QA-QC #1	\$0.00	\$342,889.00	\$342,889.00	\$0.00
Stone (purchased by NRRRA)	\$0.00	\$124,591.02	\$2,000,000.00	\$1,875,408.98
Liner (purchased by NRRRA)	\$0.00	\$520,917.20	\$530,000.00	\$9,082.80
Misc. Legal, etc.	\$0.00	\$3,300.00	\$135,000.00	\$131,700.00
TOTAL	\$713,212.49	\$6,712,231.30	\$11,838,821.35	\$4,413,377.56

AREA D PAY REQUEST 17.

11/09/2021



November 9, 2021

MEMORANDUM:

TO: NEW RIVER RESOURCE AUTHORITY BOARD MEMBERS

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

A handwritten signature in blue ink, appearing to be "JRL", is placed to the right of the printed name and title.

SUBJECT: 2022 BOARD MEETING SCHEDULE

The following is the schedule for NRRA Board meetings for the 2022 calendar year. These dates may be subject to change due to the COVID-19 Pandemic. It is recommended that the Board adopt this schedule at the November 17, 2021 meeting.

Wednesday	January 26, 2022
Wednesday	February 23, 2022
Wednesday	March 23, 2022
Wednesday	April 27, 2022
Wednesday	May 25, 2022
Wednesday	June 8, 2022
Wednesday	July 27, 2022
Wednesday	August 24, 2022
Wednesday	September 28, 2022
Wednesday	October 26, 2022
Wednesday	November 16, 2022
Wednesday	December 7, 2022