



AGENDA
WEDNESDAY, NOVEMBER 15, 2023

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

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

- I. CALL TO ORDER AND ROLL CALL**
- II. APPROVAL OF NOVEMBER 15, 2023, AGENDA**
- III. APPROVAL OF OCTOBER 25, 2023, MEETING MINUTES**
- IV. OLD BUSINESS:**
- V. NEW BUSINESS & ADMINISTRATIVE ITEMS:**
 - A. Items of Consent:**
 - 1. Transaction by Vendor Report
 - 2. Financial Statement
 - B. Administrative Items:**
 - 1. Annual Audit Presentation for FY 2022/2023
 - 2. 2024 Board Meeting Schedule
 - 3. Personnel Policy 5.6 "Leave Without Pay" Revision
 - 4. December 6, 2023 meeting
 - C. Reports**
 - 1. Executive Director's Report
 - 2. Engineering
- VI. PUBLIC COMMENTS**
- VII. ADJOURN**

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

AT A MEETING OF THE NEW RIVER RESOURCE AUTHORITY
HELD ON WEDNESDAY, OCTOBER 25, 2023, AT NOON,
NRRA ADMINISTRATION BUILDING,
DUBLIN, VIRGINIA:

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

STAFF: Mr. Joseph Levine, NRRA Executive Director
Ms. Marjorie Atkins, NRRA Recording Secretary
Mr. David Rupe, NRRA Compliance Manager
Mr. Howard Estes, NRRA Legal Counsel
Ms. Monica Furrow, NRRA Administrative Assistant
Mr. Chuck Stone, NRRA Equipment Operator
Mr. Brandon Atkins, NRRA Compliance Assistant

GUESTS: Mr. Andrew Monk, Thompson & Litton, Inc.

Mr. Baker called the meeting to order.

The motion to amend the Agenda of the October 25, 2023, Board Meeting to include under old business the Resolution of the Board of Directors of the New River Resource Authority Approving and Authorizing a Lease Financing Agreement with Hometrust Bank for a CAT 336 Excavator for a 5-year term and 4.74% interest rate, was made by Mr. Helms. The motion was seconded by Mr. Sweet and approved by a recorded roll call vote of the Authority as follows:

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

The motion to approve the minutes of the September 27, 2023, Board Meeting, as presented, was made by Mr. Starnes. The motion was seconded by Mr. Compton and approved by a recorded roll call vote of the Authority as follows:

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

Old Business items included the Resolution of the Board of Directors of the New River Resource Authority:

APPROVING AND AUTHORIZING A LEASE FINANCING AGREEMENT WITH HOMETRUST BANK

October 25, 2023

WHEREAS, the Authority wishes to enter into a Municipal Lease and Option Agreement ("Lease") dated 10/27/2023 by and between HomeTrust Bank as "Lessor" and New River Resource Authority as "Lessee";

WHEREAS, all lease payments due by the Authority pursuant to the Lease for fiscal year ending June 30, 2024 are within an available, unexhausted and unencumbered appropriation;

WHEREAS, David L. W. Rupe, serves as Administrative Manager of the Authority and is to execute the Lease documents and related certificates;

NOW, THEREFORE, BE IT RESOLVED, that the Authority be, and hereby is, authorized to enter into the Lease with HomeTrust Bank for a period of 5 years, and be it further;

RESOLVED, that the above named officer(s) of the Authority be, and hereby is/are authorized, empowered and directed to sign on its behalf, the Lease and any addenda, schedules, notes, UCC Financing Statements or any other instruments issued under the provision of the Lease and any other instrument or document which may be necessary or expedient in connection with the fulfillment of the provisions of the Lease; also to include Executive Director Joseph Levine as authorized as an alternate to the officer above in the signing of any disbursements.

Mr. Estes noted that the Board of Directors approved the lease at the last meeting of the Authority. This Resolution is presented as documentation of the lease.

The motion to approve the Resolution was made by Mr. Fijalkowski. The motion was seconded by Mr. Compton and approved by a recorded roll call vote of the authority as follows:

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

New Business and Administrative Items included Items of Consent.

The Transaction by Vendor report for the month of September 2023 was included in the agenda.

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

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

The draft Financial Statements for September were presented.

The motion to approve the draft Financial Statements for September 30, 2023, as presented, was made by Mr. Sweet. The motion was seconded by Mr. Asbury and approved by a recorded roll call vote of the Authority as follows:

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

The proposed schedule for 2024 Board Meeting was included in the Agenda. Mr. Levine noted that this schedule was for consideration and no action was needed at this time.

Mr. Levine presented the Executive Director's Report. For the month of September, revenues show the City of Radford and gas to energy as zero. Mr. Levine noted that the Authority has received payment, both will be reflected in the October Financial Statement and will be presented at the November Board Meeting. In summary of the balance sheet, revenues to date are 4.4% above projections and expenses are 0.2% below projections to date. \$175,302.63 was transferred to the Reserve Fund for the month of September. The total year to date transferred to the Reserve Fund is \$560,743.58. The Waste Stream Report for the month of September 2023 is a mirror to the September 2022 Waste Stream Report apart from construction debris. Mr. Levine congratulated Michael Strickland for passing the DPOR Operator II license test. Bill Ratcliff and Isaac Wall conducted a site tour for Blacksburg Middle School students. Thad Ball attended the OSHA 30-hour course presented by VRSA.

Mr. Starnes asked if the Saturday closure policy had been implemented and if so, have there been any issues?

Mr. Levine responded saying yes that the policy had been implemented and there have been no issues.

Mr. Levine presented the engineering section of the Agenda.

Mr. Monk had nothing to add.

Mr. Levine mentioned that the next meeting is scheduled for November 15, 2023. Auditors from Robinson, Farmer, Cox will attend the November Board Meeting presenting the final audit.

The Chairman invited Public Comments.

No comments were presented.

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

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

Mr. Sweet noted that although he voted yes to approve the minutes he did not agree with the legal counsel's assessment.

The meeting adjourned at 12:10pm.

The next scheduled meeting of the Authority is Wednesday, November 15, 2023, 12:00, (NOON), at 7100 Cloyd's Mountain Road.

Respectfully Submitted,

Brandon J. Atkins

Brandon J. Atkins
Compliance Assistant

Approved at _____ Board Meeting.

Paul W. Baker, Chairman

Robert P. Asbury, Secretary

NEW RIVER RESOURCE AUTHORITY
Transaction List by Vendor
October 2023

Type	Date	Num	Account	Amount
AFLAC				
Check	10/31/2023	6203	520.08 MISCELLANEOUS BENEFITS	837.99
ALL ROADS EQUIPMENT				
Check	10/04/2023	6142	807.48 BOMAG COMPACTOR	1,351.04
ANTHEM BLUE CROSS BLUE SHIELD				
Check	10/20/2023	6183	520.03 HOSPITAL/MEDICAL	35,312.54
APPALACHIAN POWER				
Check	10/11/2023	6158	751.80 ELECTRICITY NEW RIVER	3,452.95
Check	10/11/2023	6158	751.80 ELECTRICITY NEW RIVER	
Check	10/20/2023	6164	751.80 ELECTRICITY NEW RIVER	
ARC3 GASES				
Check	10/11/2023	6159	807.11 MISCELLANEOUS MAINTENAN	649.02
AYERS & SON SEPTIC, LLC				
Check	10/11/2023	6160	753.81 WATER/WASTEWATER SYS	3,200.00
BRANDON ATKINS				
Check	10/04/2023	6147	706.10 MEETING & TRAVEL	102.84
BROWN EXTERMINATING				
Check	10/11/2023	6157	754.10 SUPPLIES/MAINT GENERAL	160.00
Check	10/11/2023	6157	754.10 SUPPLIES/MAINT GENERAL	
BUREAU FOR CHILD SUPPORT ENFORCEMENT				
Check	10/02/2023	6121	218 CHILD SUPPORT	374.42
Check	10/17/2023	6163	218 CHILD SUPPORT	374.42
CAPITAL ONE (WALMART)				
Check	10/31/2023	6204	754.10 SUPPLIES/MAINT GENERAL	269.46
CAROLINA REFRIGERANT RECOVERY				
Check	10/20/2023	6188	802.01 BMP GENERAL	210.00
CARTER MACHINERY COMPANY INC				
Check	10/04/2023	6145	807.52 730 CAT	6,223.50
Check	10/04/2023	6145	807.34 CAT D6T	219.38
Check	10/04/2023	6145	807.49 CAT 745	637.35
Check	10/04/2023	6145	807.09 CAT 963 CP LOADER	12,982.24
Check	10/04/2023	6145	809.31 2002 GMC DUMP TRUCK	808.74
Check	10/04/2023	6145	807.53 CAT836K	-2,493.40
CINTAS CORP #532				
Check	10/04/2023	6146	520.08 MISCELLANEOUS BENEFITS	909.89
Check	10/04/2023	6146	520.10 UNIFORMS/SPECIAL CLOTH	1,101.97
Check	10/04/2023	6146	754.10 SUPPLIES/MAINT GENERAL	1,279.33
CITY OF RADFORD				
Check	10/20/2023	6182	751.80 ELECTRICITY NEW RIVER	35.61
Check	10/20/2023	6182	753.81 WATER/WASTEWATER SYS	14.24
CLIMATE ACTION RESERVE ADMINI				
Check	10/31/2023	6214	609.01 LANDFILL GAS MANAGEMENT	500.00
COBB TECHNOLOGIES				
Check	10/04/2023	6133	702.10 OFFICE EQUIP/SUPPLIES	1,057.00
CRYSTAL SPRINGS				
Check	10/11/2023	6156	754.10 SUPPLIES/MAINT GENERAL	455.68
Check	10/11/2023	6156	754.10 SUPPLIES/MAINT GENERAL	
DARRYL GILLESPIE PC CPA				
Check	10/04/2023	6131	604.01 ACCOUNTING	1,200.00
DAVE RUPE				
Check	10/20/2023	6171	706.10 MEETING & TRAVEL	34.06
DEERE & COMPANY				
Check	10/11/2023	6161	125 LANDFILL & FACILITIES	13,763.67
Check	10/11/2023	6161	125 LANDFILL & FACILITIES	
Check	10/31/2023	6199	125 LANDFILL & FACILITIES	
DELTA DENTAL				
Check	10/20/2023	6168	520.11 DENTAL INSURANCE	1,709.52
ESTES LAW & CONSULTING				
Check	10/20/2023	6166	601.01 LEGAL	1,863.00
FIRE-X CORPORATION				
Check	10/04/2023	6123	807.56 D8 DOZER	17,731.72
FLEXIBLE BENEFIT ADMINISTRATORS				
Check	10/04/2023	6127	520.08 MISCELLANEOUS BENEFITS	18.00
Check	10/31/2023	6205	520.08 MISCELLANEOUS BENEFITS	38.00
Check	10/31/2023	6207	520.08 MISCELLANEOUS BENEFITS	200.00
FLOYD COUNTY TREASURER'S OFFICE				
Check	10/04/2023	6144	790.10 WEST FORK PROPERTY	73.12

NEW RIVER RESOURCE AUTHORITY

Transaction List by Vendor

October 2023

Type	Date	Num	Account	Amount
GEN DIGITAL, INC				
Check	10/20/2023	6170	520.08 MISCELLANEOUS BENEFITS	121.82
Check	10/20/2023	6170	520.08 MISCELLANEOUS BENEFITS	0.00
GILBERT AUTO PARTS INC				
Check	10/04/2023	6124	807.11 MISCELLANEOUS MAINTENAN	356.57
Check	10/04/2023	6124	813.02 FUELS AND FLUIDS	1,256.77
Check	10/31/2023	6213	809.16 ROLL-OFF TRUCK	78.99
Check	10/31/2023	6213	809.28 MACK TRUCK	65.89
Check	10/31/2023	6213	809.31 2002 GMC DUMP TRUCK	161.77
Check	10/31/2023	6213	809.35 TRUCK 51/F250	410.44
GRAINGER				
Check	10/04/2023	6122	803.01 TOOLS/SUPPLIES GENERAL	223.23
Check	10/20/2023	6179	803.01 TOOLS/SUPPLIES GENERAL	191.66
Check	10/31/2023	6210	754.10 SUPPLIES/MAINT GENERAL	316.36
GREAT LAKES PETROLEUM				
Check	10/20/2023	6180	813.02 FUELS AND FLUIDS	17,191.16
HD MEDIA, LLC				
Check	10/04/2023	6134	709.10 ADVERTISEMENTS-ADMIN	96.00
HEALTH ADVOCATE, INC				
Check	10/20/2023	6169	520.08 MISCELLANEOUS BENEFITS	21.60
HOMETOWN SECURITY INC				
Check	10/04/2023	6138	752.50 COMMUNICATION/ALARMS	330.00
IRS				
Liability Check	10/05/2023	E-PAY	206 FEDERAL WITHHELD	6,812.14
Liability Check	10/05/2023	E-PAY	209 MEDICARE PAYABLE	894.49
Liability Check	10/05/2023	E-PAY	209 MEDICARE PAYABLE	894.49
Liability Check	10/05/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	3,517.15
Liability Check	10/05/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	3,517.15
Liability Check	10/05/2023	E-PAY	206 FEDERAL WITHHELD	130.00
Liability Check	10/05/2023	E-PAY	209 MEDICARE PAYABLE	36.96
Liability Check	10/05/2023	E-PAY	209 MEDICARE PAYABLE	36.96
Liability Check	10/05/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	158.10
Liability Check	10/05/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	158.10
Liability Check	10/19/2023	E-PAY	206 FEDERAL WITHHELD	6,910.14
Liability Check	10/19/2023	E-PAY	209 MEDICARE PAYABLE	903.27
Liability Check	10/19/2023	E-PAY	209 MEDICARE PAYABLE	903.27
Liability Check	10/19/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	3,368.19
Liability Check	10/19/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	3,368.19
Liability Check	10/25/2023	E-PAY	206 FEDERAL WITHHELD	130.00
Liability Check	10/25/2023	E-PAY	209 MEDICARE PAYABLE	37.02
Liability Check	10/25/2023	E-PAY	209 MEDICARE PAYABLE	37.02
Liability Check	10/25/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	158.10
Liability Check	10/25/2023	E-PAY	207 SOCIAL SECURITY PAYABLE	158.10
JAMES RIVER EQUIPMENT				
Check	10/04/2023	6136	125 LANDFILL & FACILITIES	12,808.05
Check	10/04/2023	6136	813.02 FUELS AND FLUIDS	1,267.68
JOHNNY BURTON				
Check	10/04/2023	6126	706.10 MEETING & TRAVEL	31.68
KALSOR IT CONSULTING				
Check	10/04/2023	6140	702.11 INTERNET SERVICES	780.00
LaBELLA ASSOCIATES				
Check	10/20/2023	6172	608.11 ENGINNERING- GENERAL	1,262.69
Check	10/20/2023	6173	608.11 ENGINNERING- GENERAL	825.00
Check	10/20/2023	6174	608.11 ENGINNERING- GENERAL	1,250.00
Check	10/20/2023	6186	609.01 LANDFILL GAS MANAGEMENT	270.00
LEE SUPPLY				
Check	10/31/2023	6200	609.01 LANDFILL GAS MANAGEMENT	207.43
LIZETH JACKSON				
Check	10/04/2023	6139	754.20 HOUSE KEEPING	315.00
Check	10/11/2023	6151	754.20 HOUSE KEEPING	
Check	10/11/2023	6151	754.20 HOUSE KEEPING	315.00
Check	10/20/2023	6167	754.20 HOUSE KEEPING	315.00
Check	10/31/2023	6197	754.20 HOUSE KEEPING	315.00
LOWE'S				
Check	10/04/2023	6135	807.11 MISCELLANEOUS MAINTENAN	179.16
LUSK DISPOSAL SERVICE				
Check	10/11/2023	6150	920.06 TIRE PROGRAM	
Check	10/11/2023	6150	920.06 TIRE PROGRAM	5,751.00

NEW RIVER RESOURCE AUTHORITY
Transaction List by Vendor
October 2023

Type	Date	Num	Account	Amount
MARJORIE ATKINS				
Check	10/04/2023	6148	706.10 MEETING & TRAVEL	58.95
MARK 4 SUZUKI SALES INC				
Check	10/11/2023	6162	807.45 - KAWASAKI MULE	1,617.06
MICHAEL STRICKLAND				
Check	10/20/2023	6189	520.08 MISCELLANEOUS BENEFITS	200.00
MINNESOTA LIFE INSURANCE COMPANY				
Check	10/31/2023	6201	520.04 LIFE INSURANCE	157.46
MOBILE COMMUNICATIONS AMERICA				
Check	10/31/2023	6198	752.50 COMMUNICATION/ALARMS	620.00
NATIONAL BANK				
Check	10/20/2023	6184	754.10 SUPPLIES/MAINT GENERAL	2,013.65
Check	10/20/2023	6184	702.11 INTERNET SERVICES	1,568.89
Check	10/20/2023	6184	702.10 OFFICE EQUIP/SUPPLIES	923.44
Check	10/20/2023	6184	520.08 MISCELLANEOUS BENEFITS	55.38
Check	10/20/2023	6184	500.02 BOARD EXPENSES	145.12
Check	10/20/2023	6184	813.02 FUELS AND FLUIDS	94.76
PITNEY BOWES BANK INC PURCHASE POWER				
Check	10/04/2023	6128	703.10 POSTAGE	250.78
Check	10/31/2023	6209	703.10 POSTAGE	35.97
PUBLIC SERVICE AUTHORITY				
Check	10/20/2023	6181	753.81 WATER/WASTEWATER SYS	8,539.38
PULASKI COUNTY GARAGE				
Check	10/20/2023	6187	809.30 55 TONE TRAILER	51.00
ROANOKE HOSE & FITTINGS INC				
Check	10/04/2023	6141	809.31 2002 GMC DUMP TRUCK	85.53
Check	10/04/2023	6141	807.11 MISCELLANEOUS MAINTENAN	638.34
SCS ENGINEERS				
Check	10/20/2023	6175	609.01 LANDFILL GAS MANAGEMENT	1,653.80
Check	10/20/2023	6176	609.01 LANDFILL GAS MANAGEMENT	2,562.30
Check	10/20/2023	6177	603.01 ENGINEERING- GENERAL	3,877.63
Check	10/20/2023	6178	603.01 ENGINEERING- GENERAL	1,041.75
Check	10/31/2023	6202	609.01 LANDFILL GAS MANAGEMENT	4,240.00
SUPER SHOE STORES/MACRO RETAIL				
Check	10/20/2023	6185	520.08 MISCELLANEOUS BENEFITS	119.99
SWANA				
Check	10/04/2023	6143	706.10 MEETING & TRAVEL	260.00
TAYLOR OFFICE SUPPLY				
Check	10/31/2023	6208	702.10 OFFICE EQUIP/SUPPLIES	164.93
TELRITE CORPORATION				
Check	10/04/2023	6132	752.50 COMMUNICATION/ALARMS	14.24
THAD BALL				
Check	10/20/2023	6165	706.10 MEETING & TRAVEL	428.37
THOMPSON AND LITTON, INC				
Check	10/11/2023	6152	603.01 ENGINEERING- GENERAL	4,531.00
Check	10/11/2023	6153	608.14 SURFACE WATER TESTING	1,084.50
Check	10/11/2023	6154	603.01 ENGINEERING- GENERAL	2,067.23
Check	10/11/2023	6155	603.01 ENGINEERING- GENERAL	7,260.00
UPS				
Check	10/04/2023	6125	608.14 SURFACE WATER TESTING	120.67
Check	10/31/2023	6206	608.14 SURFACE WATER TESTING	9.65
VA DEPT OF TAXATION				
Liability Check	10/05/2023	E-PAY	208 STATE WITHHELD	2,573.00
Liability Check	10/05/2023	E-PAY	208 STATE WITHHELD	29.00
Liability Check	10/19/2023	E-PAY	208 STATE WITHHELD	2,602.00
Liability Check	10/25/2023	E-PAY	208 STATE WITHHELD	29.00
VERIZON				
Check	10/04/2023	6130	752.50 COMMUNICATION/ALARMS	486.19
Check	10/31/2023	6211	752.50 COMMUNICATION/ALARMS	506.24
VERIZON WIRELESS				
Check	10/04/2023	6129	752.50 COMMUNICATION/ALARMS	656.50
Check	10/31/2023	6212	752.50 COMMUNICATION/ALARMS	1,520.82
VIRGINIA EMPLOYMENT COMMISSION				
Liability Check	10/05/2023	E-pay	520.05 VEC UNEMPLOYMENT INS	43.95

2:38 PM

10/31/23

NEW RIVER RESOURCE AUTHORITY
Transaction List by Vendor
October 2023

Type	Date	Num	Account	Amount
WILLIAMS COMPANIES LLC				
Check	10/04/2023	6137	754.10 SUPPLIES/MAINT GENERAL	63.99

NEW RIVER RESOURCE AUTHORITY

Balance Sheet

As of October 31, 2023

	Oct 31, 23
ASSETS	
Current Assets	
Checking/Savings	
100.00 CASH NEW NBB	559,405.46
100.06 PETTY CASH - NBB	1,944.82
100.07 FLEXIBLE SPENDING ACCT	18,963.94
100.08 CASH VRS UNFUNDED LIAB	416,623.25
100.09 RESERVE FUNDS	5,729,280.35
108.01 NBB FINANCIAL ASSURANCE	11,735,249.11
109.01 NBB - INGLES FUNDS	2,148,307.08
110.01 CASH - ENVIR FUND INVEST	991,397.65
111.01 INGLES ENVIR FUND INVES	991,397.63
Total Checking/Savings	22,592,569.29
Accounts Receivable	
190.20 ACCOUNTS RECEIVABLE	539,074.43
Total Accounts Receivable	539,074.43
Other Current Assets	
112.00 LOAN ESCROW ACCOUNT	1,312,040.00
180 A/R	-62,791.23
192 DEF OUTFLOWS-PENSION	310,006.00
192 DEF OUTFLOW RESO EXP VS AC	337.18
DEFERRED OUTFLOWS-OPEB	22,812.00
Total Other Current Assets	1,582,403.95
Total Current Assets	24,714,047.67
Fixed Assets	
150.00 LEASED ASETS	1,628,763.00
151.00 AMORTIZATION OF LEASED	-178,349.00
Total Fixed Assets	1,450,414.00
Other Assets	
120 LAND	1,087,105.64
125 LANDFILL & FACILITIES	46,493,005.45
126 ACC DEP LANDFILL & FACILI	-28,856,467.24
130 EQUIPMENT	7,741,973.81
131 ACC DEP EQUIPMENT	-5,820,212.00
145 VEHICLES	339,849.47
146 ACC DEPR VEHICLES	-329,169.00
Total Other Assets	20,656,086.13
TOTAL ASSETS	46,820,547.80
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202 ACCOUNTS PAYABLE	50.00
Total Accounts Payable	50.00

1:03 PM

11/02/23

Accrual Basis

NEW RIVER RESOURCE AUTHORITY

Balance Sheet

As of October 31, 2023

	Oct 31, 23
Other Current Liabilities	
201 INTEREST PAYABLE	8,578.00
203 ACCOUNTS PAYABLE	-2,445.08
207 SOCIAL SECURITY PAYABLE	1,782.08
208 ACCOUNTS PAYABLE	137,180.08
208 STATE WITHHELD	-66.22
209 MEDICARE PAYABLE	416.78
211 ACCRUED PAYROLL	30,787.06
212 457 PLAN	8,845.73
215 ACCRUED ANNUAL LEAVE	194,390.95
216 PR TAX DUE ACCRUED LEAVE	15,551.28
219 ACCRUED FLEX SPENDING	-706.11
240 CLOSURE COST LIABILITY	9,248,477.00
241 DEFER INFLOW OF RES-PENSION	123,170.00
241.01 LOAN PAYABLE-HAUL TRUCK	1,305,000.00
243 DEFER INFLOW OF RES-OPEB	19,779.00
244 VRS - NET PENSION LIABILITY	309,114.00
244.00 VRS-NET PENSION LIABILIT	193,349.00
245 VRS OPEN LIABILITY (HIC)	-5,600.00
246 VRS - OPER LIABILITY (GLI)	69,236.00
280.00 LEASE LIABILITY	883,889.00
Payroll Liabilities	153.98
Total Other Current Liabilities	12,540,882.53
Total Current Liabilities	12,540,932.53
Total Liabilities	12,540,932.53
Equity	
318 RETAINED EARNINGS	28,514,046.09
319 UNRESTRICTED NET ASSET	5,654,985.55
Net Income	110,583.63
Total Equity	34,279,615.27
TOTAL LIABILITIES & EQUITY	46,820,547.80

NEW RIVER RESOURCE AUTHORITY
PROFIT LOSS BUDGET PERFORMANCE
OCTOBER 2023

DRAFT

	OCT 2023	JULY TO OCT 2023	Annual Budget	Budget Balance	% Budget	% YTD (33)
Revenue:					33%	
402 REVENUE - PULASKI COUNTY	58,572.73	281,498.57	1,029,300.00	747,801.43	27.3%	-5.7%
403 REVENUE - RADFORD CITY	45,294.84	72,653.99	169,100.00	96,446.01	43.0%	10.0%
404 REVENUE - DUBLIN TOWN	1,375.92	5,814.96	16,800.00	10,985.04	34.6%	1.6%
405 REVENUE - GILES COUNTY	25,185.24	139,978.62	332,100.00	192,121.38	42.1%	9.1%
406 REVENUE MSW - MRSWA	163,437.24	688,474.56	1,828,800.00	1,140,325.44	37.6%	4.6%
410 INTEREST INCOME/DIVIDEND INCOME	78,032.78	268,537.93	200,000.00	(68,537.93)	134.3%	101.3%
414 REVENUE - NON-MEMBER	138,160.89	529,311.46	1,270,585.00	741,273.54	41.7%	8.7%
415 REVENUE - MISC. SALES	28,245.00	28,901.60	50,000.00	21,098.40	57.8%	24.8%
498 GAS TO ENERGY REVENUE	6,341.73	25,487.43	200,000.00	174,512.57	12.7%	-20.3%
Total Operating Revenue	544,646.37	2,040,659.12	5,096,685.00	3,056,025.88	40.0%	7.0%
Expense:						
500.01 BOARD COMPENSATION	2,550.00	10,200.00	30,600.00	20,400.00	33.3%	0.3%
500.02 BOARD EXPENSES	145.12	626.53	6,000.00	5,373.47	10.4%	-22.6%
501.05 SALARIES & WAGES F/T	46,120.24	188,026.37	666,000.00	477,973.63	28.2%	-4.8%
501.15 SALARIES & WAGES O/T	0.00	0.00	2,000.00	2,000.00	0.0%	-33.0%
502.05 SALARIES & WAGES F/T	75,752.20	315,978.75	970,000.00	654,021.25	32.6%	-0.4%
502.15 SALARIES & WAGES O/T	4,100.79	12,609.06	50,000.00	37,390.94	25.2%	-7.8%
511.00 BANK ADMIN FEES	370.86	1,930.86	4,000.00	2,069.14	48.3%	15.3%
512.00 TRUST FUND EXPENSE	2,343.28	9,329.50	0.00	(9,329.50)	0.0%	0.0%
520.01 FICA	8,891.60	39,037.56	128,000.00	88,962.44	30.5%	-2.5%
520.02 VRS RETIREMENT	11,586.43	46,389.40	124,000.00	77,610.60	37.4%	4.4%
520.03 HOSPITAL/MEDICAL	35,312.54	182,156.91	460,000.00	277,843.09	39.6%	6.6%
520.04 LIFE INSURANCE	1,739.62	6,938.24	18,000.00	11,061.76	38.5%	5.5%
520.05 VEC UNEMPLOYMENT INS	43.95	62.00	500.00	438.00	12.4%	-20.6%
520.06 WORKER COMPENSATION INS	0.00	17,667.00	27,000.00	9,333.00	65.4%	32.4%
520.07 MEDICAL EXPENSES	0.00	1,094.98	2,000.00	905.02	54.7%	21.7%
520.08 MISCELLANEOUS BENEFITS	1,625.67	9,920.99	25,000.00	15,079.01	39.7%	6.7%
520.10 UNIFORMS/SPECIAL CLOTH	1,101.97	3,428.50	13,000.00	9,571.50	26.4%	-6.6%
520.11 DENTAL INSURANCE	1,709.52	6,811.55	25,000.00	18,188.45	27.2%	-5.8%
601.01 LEGAL	1,863.00	6,106.50	50,000.00	43,893.50	12.2%	-20.8%
603.01 ENGINEERING- GENERAL	18,777.61	46,872.92	280,000.00	233,127.08	16.7%	-16.3%
603.02 ENGINEERING -SURVEYING	0.00	6,000.00	75,000.00	69,000.00	8.0%	-25.0%
603.03 FINANCIAL ASSURANCE	25,000.00	25,000.00	25,000.00	0.00	100.0%	67.0%
604.01 ACCOUNTING	1,200.00	4,800.00	15,000.00	10,200.00	32.0%	-1.0%
605.01 AUDITOR	0.00	0.00	15,000.00	15,000.00	0.0%	-33.0%
608.11 GW TEST & REPORT NRSWMA	3,337.69	20,687.69	50,000.00	29,312.31	41.4%	8.4%
608.14 SURFACE WATER TESTING	1,214.82	4,763.90	25,000.00	20,236.10	19.1%	-13.9%
609.01 LANDFILL GAS MANAGEMENT PROGRAM	9,433.53	37,574.84	170,000.00	132,425.16	22.1%	-10.9%
630.01 DEQ PERMIT FEE	0.00	25,881.79	50,000.00	24,118.21	51.8%	18.8%
660.10 GENERAL LIABILITY	0.00	3,749.00	6,000.00	2,251.00	62.5%	29.5%
660.30 HEAVY EQUIP INSURANCE	0.00	12,744.00	8,000.00	(4,744.00)	159.3%	126.3%
660.40 VEHICLE INSURANCE	0.00	9,376.00	10,000.00	624.00	93.8%	60.8%
660.60 EMPLOYEE BOND	0.00	252.00	500.00	248.00	50.4%	17.4%
660.70 PHYSICAL PROPERTY	0.00	5,404.00	8,000.00	2,596.00	67.6%	34.6%
702.10 OFFICE EQUIPMENT & SUPPLIES	1,788.41	8,071.33	30,000.00	21,928.67	26.9%	-6.1%
702.11 INTERNET SERVICES	2,348.89	4,168.34	45,000.00	40,831.66	9.3%	-23.7%
703.10 POSTAGE	286.75	1,535.91	6,000.00	4,464.09	25.6%	-7.4%
705.10 TRAINING & EDUCATION	0.00	924.00	10,000.00	9,076.00	9.2%	-23.8%
706.10 MEETING & TRAVEL	943.41	3,238.43	8,000.00	4,761.57	40.5%	7.5%
708.10 DUES & ASSOC MEMBERSHPS	0.00	225.00	2,000.00	1,775.00	11.3%	-21.8%
709.10 ADVERTISEMENTS	96.00	300.00	12,000.00	11,700.00	2.5%	-30.5%
710.10 PROMOTIONS	0.00	0.00	3,000.00	3,000.00	0.0%	-33.0%
751.80 ELECTRICITY	3,539.92	15,344.35	50,000.00	34,655.65	30.7%	-2.3%
752.50 COMMUNICATION SERVICES & ALARM	4,133.99	8,201.85	17,000.00	8,798.15	48.2%	15.2%
753.81 WATER AND WASTE WATER SYSTEM	11,753.62	59,060.49	60,000.00	939.51	98.4%	65.4%
753.90 SCALE SERVICE	0.00	425.00	4,000.00	3,575.00	10.6%	-22.4%
754.10 SUPPLIES & MAINTENANCE - GENERAL	2,716.77	13,562.64	50,000.00	36,437.36	27.1%	-5.9%
754.20 HOUSE KEEPING	1,260.00	5,040.00	25,000.00	19,960.00	20.2%	-12.8%

NEW RIVER RESOURCE AUTHORITY
PROFIT LOSS BUDGET PERFORMANCE
OCTOBER 2023

DRAFT

	OCT 2023	JULY TO OCT 2023	Annual Budget	Budget Balance	% Budget	% YTD (33)
770.10 GAS SERVICE	0.00	656.41	20,000.00	19,343.59	3.3%	-29.7%
780.10 POST CLOSURE CARE	0.00	6,900.00	25,000.00	18,100.00	27.6%	-5.4%
790.10 WEST FORK PROPERTY	73.12	654.79	5,000.00	4,345.21	13.1%	-19.9%
801.01 GENERAL MAINTENANCE	0.00	3,962.08	10,000.00	6,037.92	39.6%	6.6%
802.01 BMP GENERAL	210.00	5,842.10	50,000.00	44,157.90	11.7%	-21.3%
803.01 TOOLS & SUPPLIES GENERAL	414.89	5,074.54	15,000.00	9,925.46	33.8%	0.8%
805.10 GRAVEL-M.S.W. AREA	0.00	0.00	70,000.00	70,000.00	0.0%	-33.0%
807.01 EQUIPMENT BUDGET	40,091.98	137,654.17	250,000.00	112,345.83	55.1%	22.1%
809.01 VEHICLE PARTS & MAINT	1,662.36	3,966.57	25,000.00	21,033.43	15.9%	-17.1%
810.20 HEAVY EQUIPMENT RENTAL	0.00	0.00	20,000.00	20,000.00	0.0%	-33.0%
813.02 FUELS AND FLUIDS	19,810.37	93,704.34	280,000.00	186,295.66	33.5%	0.5%
920.05 HHW CONTRACT SERVICES	0.00	16,091.24	40,000.00	23,908.76	40.2%	7.2%
920.06 TIRE PROGRAM	5,751.00	28,215.00	100,000.00	71,785.00	28.2%	-4.8%
Total Operating Expenses	351,101.92	1,484,239.42	4,570,600.00	3,086,360.58	32.5%	-0.5%
Net Operating Income	193,544.45	556,419.70	526,085.00	(30,334.70)	105.8%	72.8%
Non-Operating Expenses						
847. DEPRECIATION	138,162.58	552,650.32	1,066,201.00	928,038.42	51.8%	18.8%
848. APPRECIATION- TRUST FUND	(36,065.50)	(106,814.25)	0.00	106,814.25		
Total Non Operating Expenses	102,097.08	445,836.07	1,066,201.00	620,364.93	41.8%	8.8%
Net Income	91,447.37	110,583.63	(540,116.00)	(650,699.63)		



Communication with Those Charged with Governance

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

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

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

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

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues


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

Other Matters

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

Restriction on Use

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



Blacksburg, Virginia
October 23, 2023

NEW RIVER RESOURCE AUTHORITY

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

NEW RIVER RESOURCE AUTHORITY
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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FINANCIAL SECTION

NEW RIVER RESOURCE AUTHORITY

DUBLIN, VIRGINIA

FOR THE YEAR ENDED JUNE 30, 2023

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

BOARD OF DIRECTORS

Mr. Paul Baker, Chairperson
County of Giles

Mr. Steve Fijalkowski, Vice Chairperson
Montgomery Regional Solid Waste Authority

Mr. Barry Helms
Montgomery Regional Solid Waste Authority

Mr. Robert Asbury
City of Radford

Mr. Thomas Starnes
City of Radford

Mr. Tye Kirkner
Town of Dublin

Mr. Dirksen Compton
County of Pulaski

Mr. Jonathan Sweet
County of Pulaski

OFFICIALS

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



Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of New River Resource Authority, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the New River Resource Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of New River Resource Authority, as of June 30, 2023, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023, on our consideration of New River Resource Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New River Resource Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New River Resource Authority's internal control over financial reporting and compliance.

Robinson, Famer, Cox Associates

Blacksburg, Virginia
October 23, 2023

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023. 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, 2023 increased to \$34,169,032 from \$33,166,436 at June 30, 2022. Net position is composed of net investment in capital assets, restricted net position for future OPEB costs, and unrestricted net position. Net investment in capital assets for the year ended June 30, 2023 decreased to \$21,257,336 from \$21,889,080 at June 30, 2022. *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, 2023 increased to \$12,906,096 from \$11,265,167 at June 30, 2022. This increase was expected due to a planned deposit into reserves to fund future closure and postclosure liabilities. Actual expenses did exceed initially budgeted due to increases in inflation.

The Authority had revenues of \$6,829,067, which exceeded the expenses of \$5,826,471 resulting in an increase to net position of \$1,002,596.

Business-type Activities

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

FINANCIAL STATEMENT PRESENTATION

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

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

NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023 (CONTINUED)

FINANCIAL STATEMENT PRESENTATION (CONTINUED)

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

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

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

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

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

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

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**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023 (CONTINUED)**

CONDENSED FINANCIAL INFORMATION

Table A presents the Condensed Statement of Net Position for the years ended June 30, 2023 and 2022. At June 30, 2023 and 2022, unrestricted net position was \$12,906,096 and \$11,265,167, respectively. Of total net position, unrestricted net position represented 37.8% and 33.9% for fiscal year 2023 and 2022, respectively.

TABLE A:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Assets		
Current assets	\$ 24,235,320	\$ 21,694,229
Noncurrent assets	22,145,084	23,226,455
Total assets	\$ 46,380,404	\$ 44,920,684
 Deferred outflows of resources	 \$ 333,155	 \$ 382,963
 Liabilities		
Current liabilities	\$ 866,696	\$ 734,304
Noncurrent liabilities	11,534,882	10,879,973
Total liabilities	\$ 12,401,578	\$ 11,614,277
 Deferred inflows of resources	 \$ 142,949	 \$ 522,934
 Net Position		
Net investment in capital assets	\$ 21,257,336	\$ 21,889,080
Restricted	5,600	12,189
Unrestricted	12,906,096	11,265,167
Total net position	\$ <u>34,169,032</u>	\$ <u>33,166,436</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 \$34,169,032 and \$33,166,436 at June 30, 2023 and 2022, 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 2023, 62.21% 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, 2023 (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, 2023 and 2022.

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, 2023</u>	<u>June 30, 2022</u>
Revenues		
Operating revenues:		
Landfill charges	\$ 5,542,135	\$ 6,128,511
Gas to energy revenues	161,410	168,960
Miscellaneous	911,292	222,005
Nonoperating revenues	214,230	(393,497)
Total revenues	\$ 6,829,067	\$ 6,125,979
Expenses		
Operating expenses:		
Operations	\$ 4,047,986	\$ 3,482,987
Closure and postclosure	(439,761)	734,267
Depreciation	2,195,651	1,652,598
Nonoperating expenses	22,595	10,862
Total expenses	\$ 5,826,471	\$ 5,880,714
Change in Net Position	<u>\$ 1,002,596</u>	<u>\$ 245,265</u>

Landfill charges for fiscal year 2023 decreased by 9.57% to \$5,542,135 compared to \$6,128,511 from fiscal year 2022. The Authority disposed of 209,388 tons of waste in the current fiscal year as compared to 227,260 in the prior year. One large nonmember customer disposed of 18,033 more tons in the prior fiscal year resulting in a decrease of charges totaling \$667,222. However, some of that decrease was offset by an increase in construction debris disposed of by members.

The Authority's operations expenses increased by 16.22% to \$4,047,986 from \$3,482,987.

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, 2023 (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, 2023, the Authority has \$22,139,484 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 \$1,130,008. Depreciation expense for the year ending June 30, 2023 was \$2,195,651. Considering depreciation expense and the Authority's capital asset additions, total net investment in capital assets increased to \$22,139,484 at June 30, 2023 from \$23,214,266 at June 30, 2022, for a total net difference of (\$1,074,782). The majority of the investment in capital assets was comprised of the following:

- (1) D6T Dozer rebuild
- (1) Kawasaki Mule ATV

Also included in this year's investment total is landfill and support facilities related to construction of Cell D for the New River Solid Waste Management Area's Landfill. This activity increased to a level of \$10,799,467. Additional information on the Authority's capital assets can be found in Note 5 in the notes to the financial statements.

Long-term Obligations

As of June 30, 2023, the Authority reported total outstanding debt and obligations of \$12,219,007. These items are detailed at Note 3 of the financial statements. This total is an increase of \$897,620 from the amounts reported as of June 30, 2022. The majority of this increase is the result of a \$1,305,000 issuance of a financed purchase for a new Caterpillar D8 landfill tractor.

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

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

**NEW RIVER RESOURCE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023 (CONTINUED)**

ECONOMIC FACTORS AND FUTURE BUDGETS

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

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

Some assumptions for next fiscal year budget (fiscal year 2024) will include: the operations to include disposal in Areas A, B, C, and D; operating an active landfill gas system, expansion of the active landfill gas system, closure of approximately 10 acres within the next five years, West Fork Mitigation Project, and concerns with the stability of the waste stream due to economic trends. Revenue projections for the next fiscal year will be reduced to reflect changes due to the uncertain economy and the pandemic. Operations expenses will increase with the trending inflation and the opening of Area D for disposal.

REQUESTS FOR INFORMATION

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

Basic Financial Statements

NEW RIVER RESOURCE AUTHORITY
STATEMENT OF NET POSITION
AT JUNE 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$ 8,521,119
Restricted cash - loan proceeds	1,312,040
Investments	2,360,726
Investments with trustee - closure/postclosure care	11,565,152
Accounts receivable - members	325,527
Accounts receivable - trade, net of allowance	150,756

Noncurrent Assets:

Net OPEB asset	5,600
Capital assets (net of accumulated depreciation):	
Land	1,087,106
Construction in progress	105,971
Landfill and support facilities	17,563,551
Equipment and vehicles	1,932,442
Intangible - right to use assets	1,450,414
Total capital assets (net of accumulated depreciation/amortization)	\$ 22,139,484

Total assets \$ 46,380,404

DEFERRED OUTFLOWS OF RESOURCES

Pension related items	\$ 310,006
OPEB related items	23,149

Total deferred outflows of resources \$ 333,155

LIABILITIES

Current Liabilities:

Accounts payable - operations	\$ 129,486
Accounts payable - construction	5,299
Interest payable	8,578
Payroll liabilities	39,208
Lease liabilities - current portion	230,240
Landfill closure/postclosure liability - current portion	184,970
Compensated absences - current portion	20,994
Financed purchased - current portion	247,921

Noncurrent Liabilities:

Lease liabilities - long-term portion	653,649
Financed purchased - long-term portion	1,057,079
Net OPEB liability	69,236
Net pension liability	502,463
Compensated absences - long-term portion	188,948
Landfill closure/postclosure liability - long-term portion	9,063,507

Total liabilities \$ 12,401,578

DEFERRED INFLOWS OF RESOURCES

Pension related items	\$ 123,170
OPEB related items	19,779

Total deferred inflows of resources \$ 142,949

NET POSITION

Net investment in capital assets	\$ 21,257,336
Restricted for future OPEB costs	5,600
Unrestricted	12,906,096
Total net position	\$ 34,169,032

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, 2023

OPERATING REVENUES

Landfill charges, net of user rebates	\$ 5,542,135
Gas-to-energy	161,410
Miscellaneous	<u>911,292</u>
Total operating revenues	\$ <u>6,614,837</u>

OPERATING EXPENSES

Members' compensation	\$ 40,274
Salaries and wages	1,432,287
Employee benefits and payroll taxes	715,108
Professional services	288,230
Office expenses, postage, and advertising	54,922
Insurance	29,912
Dues, licenses, and subscriptions	38,813
Telephone and communications	24,651
Travel	3,089
Training and education	7,267
Uniforms and special clothing	11,375
Utilities	116,838
Clay and gravel	75,844
Fuels	292,687
Leachate treatment	70,291
Seeding and erosion	39,191
Tools and supplies	67,211
Equipment rental	42,962
Repairs and maintenance	475,104
Miscellaneous	2,538
Methane, ground water, and leachate monitoring	219,392
Landfill closure and postclosure expense	(439,761)
Depreciation	<u>2,195,651</u>
Total operating expenses	\$ <u>5,803,876</u>
Net operating income (loss)	\$ <u>810,961</u>

Nonoperating revenues (expenses):

Interest and dividend income	\$ 340,540
Unrealized gain (loss) on investments	(126,310)
Interest expense	<u>(22,595)</u>

Total nonoperating revenues (expenses)	\$ <u>191,635</u>
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Change in Net Position	\$ 1,002,596
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Net Position at beginning of year, as restated	<u>33,166,436</u>
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Net Position at end of year	\$ <u><u>34,169,032</u></u>
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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, 2023

Cash flows from operating activities:	
Cash received from customers	\$ 6,629,658
Cash payments to suppliers for goods and services	(1,826,979)
Cash payments to employees	(2,160,120)
Net cash provided by (used for) operating activities	\$ 2,642,559
Cash flows from capital and related financing activities:	
Interest payments	\$ (14,017)
Issuance of financed purchase	1,305,000
Lease payments	(227,214)
Purchase of capital assets	(1,329,653)
Net cash provided by (used for) capital and related financing activities	\$ (265,884)
Cash flows from investing activities:	
Interest income	\$ 257,886
Purchase of investments	(4,807,072)
Proceeds from sale of investments	1,208,949
Net cash provided by (used for) investing activities	\$ (3,340,237)
Net increase (decrease) in cash and cash equivalents	\$ (963,562)
Cash and cash equivalents at beginning of year	10,796,721
Cash and cash equivalents at end of year (including restricted cash of \$1,312,040)	\$ 9,833,159
Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities:	
Net operating income (loss)	\$ 810,961
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	\$ 2,195,651
Decrease (increase) in accounts receivable	14,821
Decrease (increase) in prepaid items	34,993
Decrease (increase) in net OPEB asset	6,589
Decrease (increase) in deferred outflows of resources	49,808
Increase (decrease) in accounts payable	68,480
Increase (decrease) in payroll liabilities	21,407
Increase (decrease) in compensated absences	19,606
Increase (decrease) in net OPEB liability	1,010
Increase (decrease) in net pension liability	309,114
Increase (decrease) in deferred inflows of resources	(379,985)
Increase (decrease) in landfill closure/postclosure liability	(509,896)
Total adjustments	\$ 1,831,598
Net cash provided by (used for) operating activities	\$ 2,642,559
Schedule of non-cash capital and related financing activities:	
Purchase of property, plant and equipment included in construction payables	\$ 5,299

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, 2023

Note 1 - Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

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

B. Financial Statement Presentation

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

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

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

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

C. Basis of Accounting

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

D. Proprietary Fund Revenue and Expense Classifications

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

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

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

E. Deferred Outflows/Inflows of Resources

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

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

F. Net Position

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

The Authority's net position is classified as follows:

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

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

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

G. Net Position Flow Assumption

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

H. Pensions

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

I. Other Postemployment Benefits (OPEB)

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

J. Capital Assets

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

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

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

K. Use of Estimates

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

L. Compensated Absences

The liability for compensated absences reported in the financial statements consist of earned but unpaid accumulated leave balances. The liability is based on the leave accumulated as of June 30. It is the Authority's policy to permit employees to accumulate limited leave that may be earned until retirement or termination. Employees are paid for accumulated unused compensated absence balances upon the termination of their employment up to the amount of maximum carryover for the employees' years of service.

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

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

M. Cash and Cash Equivalents

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

N. Investments

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

O. Accounts Receivable

Primary customers of the Authority consist of the City of Radford, Town of Dublin, Counties of Pulaski, Floyd, and Giles, and Montgomery Regional Solid Waste Authority. Accounts receivables are shown net of an allowance for doubtful accounts. The Authority calculates its allowance for uncollectible accounts using historical collection data and specific account analysis. For the year ended June 30, 2023, the allowance was \$0.

P. Accrued Landfill Closure

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

Q. Leases

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

Lessee:

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

Q. Leases (Continued)

Key Estimates and Judgments:

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

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

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

Note 2 - Deposits and Investments:

Deposits

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

Investments

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

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments at June 30, 2023 were held in the Authority's name by the Authority's custodial bank.

Credit Risk of Debt Securities: The Authority's rated debt investments as of June 30, 2023 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Moody's rating scale.

Authority's Rated Debt Investments' Values			
Rated Debt Investments	Fair Quality Ratings		
	AAAm	AAA	Total
Government Agency Bonds	\$ -	\$ 12,273,908	\$ 12,273,908
Money Market Funds	1,042,216	-	1,042,216
Treasury Bills	-	609,754	609,754
Total Investments	\$ 1,042,216	\$ 12,883,662	\$ 13,925,878

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 2 - Deposits and Investments: (Continued)

Investments (Continued)

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

Investment Type	Investment Maturities (in years)		
	Less 1 yr	1-5 yrs	Total
Government Agency Bonds	\$ 222,005	\$ 12,051,903	\$ 12,273,908
Treasury Bills	609,754	-	609,754
Total	\$ 831,759	\$ 12,051,903	\$ 12,883,662

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

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

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

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

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

The Authority has the following recurring fair value measurements as of June 30, 2023:

Investment	6/30/2023	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	\$ 12,273,908	\$ 12,273,908	\$ -	\$ -
Money Market Funds	1,042,216	1,042,216	-	-
Treasury Bills	609,754	609,754	-	-
Total	\$ 13,925,878	\$ 13,925,878	\$ -	\$ -

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 2 - Deposits and Investments: (Continued)

Restrictions on Cash, Cash Equivalents, and Investments:

The Authority financed a purchase of new equipment in the amount of \$1,305,000. These funds were deposited into an escrow account until the equipment was available for delivery. The issued balance accrued interest in the escrow account and was restricted to this purchase of equipment. As of June 30, 2023, the balance in this account was \$1,312,040.

The Authority holds a Letter of Credit with National Bank as a standby trust to meet the financial assurance requirements to cover estimated future closure and post-closure costs for each of the Authority's landfill sites. Due to the requirements of this letter of credit, the Authority is required to maintain bank accounts as collateral for the standby trust, with a minimum balance of 100% of the available letter of credit. As of June 30, 2023, the Authority has secured the Letter of Credit with National Bank in the amount of \$13,997,167 to cover the total estimated closure and post-closure liability of \$9,248,477. Total funds held as collateral as of June 30, 2023 were \$13,518,240, which is less than the minimum requirement by \$478,927. See Note 6 for further details of the closure and postclosure care costs liability.

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

Note 3 - Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Authority for the year ended June 30, 2023:

	Balance July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2023
Lease liabilities	\$ 1,111,103	\$ -	\$ (227,214)	\$ 883,889
Financed purchase	-	1,305,000	-	1,305,000
Compensated absences	190,336	38,640	(19,034)	209,942
Landfill closure and postclosure	9,758,373	50,661	(560,557)	9,248,477
Net pension liability	193,349	448,236	(139,122)	502,463
Net OPEB liability	68,226	39,732	(38,722)	69,236
Total	\$ 11,321,387	\$ 1,882,269	\$ (984,649)	\$ 12,219,007

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 3 - Long-Term Obligations: (continued)

Details of long-term obligations:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
Direct borrowings and placements:		
Financed Purchase:		
\$1,305,000 issued May 5, 2023 bearing interest at 2.15%. Principal and interest payments of \$144,550 are due semi-annually.	\$ 1,305,000	\$ 247,921
Other Obligations:		
Compensated absences	\$ 209,942	\$ 20,994
Landfill closure and postclosure	9,248,477	184,970
Lease liabilities	883,889	230,240
Net pension liability	502,463	-
Net OPEB liability	69,236	-
Total Other Obligations	<u>\$ 10,914,007</u>	<u>\$ 436,204</u>
Total Long-term Obligations	<u>\$ 12,219,007</u>	<u>\$ 684,125</u>

The future principal and interest payments as of June 30, 2023, were as follows:

<u>Year Ending June 30</u>	<u>Financed Purchase</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 247,921	\$ 41,180
2025	248,481	40,620
2026	258,722	30,378
2027	269,386	19,715
2028	280,490	9,612
Total	<u>\$ 1,305,000</u>	<u>\$ 141,505</u>

Note 4 - Lease Liabilities:

The Authority entered into a 7-year lease agreement as lessee for the acquisition and use of a dump truck. A lease liability was recorded in the amount of \$404,386 in a transition from being reported as a capital lease prior to implementation of the new lease standard. As of June 30, 2023, the value of the lease liability was \$283,704. The Authority is required to make semi-annual principal and interest payments of \$32,596, with an interest rate of 1.35%. In addition, the Authority will purchase the equipment for \$1 at the end of the lease term. The equipment has a 10-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$401,750 with accumulated amortization of \$86,772.

In 2022, the Authority entered into a 5-year lease agreement as lessee for the acquisition and use of a landfill compactor. An initial lease liability was recorded in the amount of \$849,067 during the current year. As of June 30, 2023, the value of the lease liability was \$600,185. The Authority is required to make semi-annual principal and interest payments of \$88,019, with an interest rate of 1.32%. In addition, the Authority will purchase the equipment for \$1 at the end of the lease term. The equipment has a 10-year estimated useful life. The value of the right-to-use asset as of the end of the current fiscal year was \$1,227,013 with accumulated amortization of \$91,577.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 4 - Lease Liabilities: (Continued)

The future principal and interest lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Lease Liabilities	
	Principal	Interest
2024	\$ 230,240	\$ 7,368
2025	233,308	5,134
2026	236,417	2,870
2027	151,548	577
2028	32,376	-
Total	<u>\$ 883,889</u>	<u>\$ 15,949</u>

Note 5 - Capital Assets:

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

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,087,106	\$ -	\$ -	\$ 1,087,106
Construction in progress	10,767,632	313,193	(10,974,854)	105,971
Total capital assets, not being depreciated	<u>\$ 11,854,738</u>	<u>\$ 313,193</u>	<u>\$ (10,974,854)</u>	<u>\$ 1,193,077</u>
Capital assets, being depreciated:				
Landfill and support facilities	\$ 34,892,514	\$ 10,974,854	\$ -	\$ 45,867,368
Equipment	7,450,055	438,869	(146,950)	7,741,974
Vehicles	339,849	-	-	339,849
Right-to-use lease equipment	1,250,817	377,946	-	1,628,763
Total capital assets, being depreciated	<u>\$ 43,933,235</u>	<u>\$ 11,791,669</u>	<u>\$ (146,950)</u>	<u>\$ 55,577,954</u>
Accumulated depreciation:				
Landfill and support facilities	\$ (26,711,368)	\$ (1,592,449)	\$ -	\$ (28,303,817)
Equipment	(5,514,820)	(443,203)	137,811	(5,820,212)
Vehicles	(297,393)	(31,776)	-	(329,169)
Right-to-use lease equipment	(50,126)	(128,223)	-	(178,349)
Total accumulated depreciation	<u>\$ (32,573,707)</u>	<u>\$ (2,195,651)</u>	<u>\$ 137,811</u>	<u>\$ (34,631,547)</u>
Capital assets, net	<u>\$ 23,214,266</u>	<u>\$ 9,909,211</u>	<u>\$ (10,983,993)</u>	<u>\$ 22,139,484</u>

Current year capital asset additions include construction payables and retainage payable of \$5,299.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (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 (64.11%) of the constructed cells at June 30, 2023 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, 2023, is \$9,248,477 and includes \$9,987 designated for the old Ingles Mountain Debris Landfill site (now closed); \$465,257 designated for the old Ingles Mountain Sanitary Landfill site (now closed); \$8,484,256 designated for the new Cloyd's Mountain landfill; and \$288,977 for the West Fork Mitigation bank. Total closure and postclosure cost for all opened landfill cells at Cloyd's Mountain Regional Landfill is estimated at \$13,232,946, of which 64.11% has been recognized as noted above based on usage. As such, \$4,748,690 or 35.89% 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, 2023 (CONTINUED)**

Note 7 - Pension Plan:

Plan Description

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

Benefit Structures

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

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

Average Final Compensation and Service Retirement Multiplier

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 7 - Pension Plan: (Continued)

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

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

Employees Covered by Benefit Terms

As of the June 30, 2021 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.

The Authority's contractually required employer contribution rate for the year ended June 30, 2023 was 7.78% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 \$95,866 and \$80,363 for the years ended June 30, 2023 and June 30, 2022, 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, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

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

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

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NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Asset Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 7 - Pension Plan: (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 4,165,020	\$ 3,971,671	\$ 193,349
Changes for the year:			
Service cost	\$ 104,988	\$ -	\$ 104,988
Interest	285,842	-	285,842
Changes in assumptions	-	-	-
Differences between expected and actual experience	47,849	-	47,849
Contributions - employer	-	80,091	(80,091)
Contributions - employee	-	58,936	(58,936)
Net investment income	-	(7,130)	7,130
Benefit payments, including refunds of employee contributions	(70,637)	(70,637)	-
Administrative charges	-	(2,427)	2,427
Other changes	-	95	(95)
Net changes	\$ 368,042	\$ 58,928	\$ 309,114
Balances at June 30, 2022	\$ 4,533,062	\$ 4,030,599	\$ 502,463

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's Net Pension Liability (Asset)	\$ 1,227,648	\$ 502,463	\$ (77,127)

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 7 - Pension Plan: (Continued)

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

For the year ended June 30, 2023, the Authority recognized pension expense of \$88,592. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 123,608	\$ 14,755
Change in assumptions	90,532	2,221
Net difference between projected and actual earnings on pension plan investments	-	106,194
Employer contributions subsequent to the measurement date	<u>95,866</u>	<u>-</u>
Total	<u>\$ 310,006</u>	<u>\$ 123,170</u>

\$95,866 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ 52,134
2025	25,291
2026	(45,491)
2027	59,036
2028	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-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, 2023 (CONTINUED)

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	\$ 17,919	\$ 15,157	\$ 69,236	\$ 3,700
Health Insurance Credit (HIC) Plan	5,230	4,622	(5,600)	(254)
Totals	<u>\$ 23,149</u>	<u>\$ 19,779</u>	<u>\$ 63,636</u>	<u>\$ 3,446</u>

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for COLA was \$8,984 as of June 30, 2023.

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$7,268 and \$6,690 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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, 2023, the entity reported a liability of \$69,236 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.00575% as compared to 0.00586% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense \$3,700. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,483	\$ 2,778
Net difference between projected and actual earnings on GLI OPEB plan investments	-	4,326
Change in assumptions	2,582	6,744
Changes in proportionate share	2,586	1,309
Employer contributions subsequent to the measurement date	7,268	-
Total	\$ 17,919	\$ 15,157

**NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)**

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

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

\$7,268 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, 2024. 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

2024	\$	(482)
2025		(449)
2026		(3,144)
2027		342
2028		(773)
Thereafter		-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

**NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)**

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

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,672,085
Plan Fiduciary Net Position	2,467,989
GLI Net OPEB Liability (Asset)	\$ 1,204,096
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%

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, 2023 (CONTINUED)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, 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, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

**NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)**

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Authority's proportionate share of the GLI Plan			
Net OPEB Liability	\$ 100,746	\$ 69,236	\$ 43,771

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

Benefit Amounts (Continued)

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

As of the June 30, 2021 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, 2023 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Authority to the HIC Plan were \$0 and \$606 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability (Asset)

The Authority's net HIC OPEB liability (asset) was measured as of June 30, 2022. The total HIC OPEB liability (asset) was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

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

**NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)**

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

Actuarial Assumptions (Continued)

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, 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, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability (asset).

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (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, 2021	\$ 20,869	\$ 33,058	\$ (12,189)
Changes for the year:			
Service cost	\$ 796	\$ -	\$ 796
Interest	1,453	-	1,453
Differences between expected and actual experience	(724)	-	(724)
Assumption changes	5,660	-	5,660
Contributions - employer	-	620	(620)
Net investment income	-	35	(35)
Benefit payments	(279)	(279)	-
Administrative expenses	-	(59)	59
Net changes	\$ 6,906	\$ 317	\$ 6,589
Balances at June 30, 2022	\$ 27,775	\$ 33,375	\$ (5,600)

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)	\$ (1,651)	\$ (5,600)	\$ (8,891)

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, 2023, the Authority recognized HIC Plan OPEB expense of \$(254). At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Authority's HIC Plan from the following sources:

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 33	\$ 3,233
Net difference between projected and actual earnings on HIC OPEB plan investments	-	805
Change in assumptions	5,197	584
Employer contributions subsequent to the measurement date	<u>-</u>	<u>-</u>
Total	<u>\$ 5,230</u>	<u>\$ 4,622</u>

\$0 reported as deferred outflows of resources related to the HIC OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability (Asset) in the fiscal year ending June 30, 2024. 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

2024	\$ (316)
2025	(337)
2026	(500)
2027	638
2028	322
Thereafter	801

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-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, 2023 (CONTINUED)

Note 11 - Commitments and Contingencies:

Construction Contracts:

Project	Contract Total	Amount Outstanding	Retainage Payable
NRRA Litter Fence	\$ 315,074	\$ 214,374	\$ 5,299

Note 12 - Related Party Transactions:

The following table summarizes fees received and accounts receivable from members of the Authority as of and for the year ended June 30, 2023:

Member	Operating Revenues 2023	Accounts Receivable 2023
City of Radford	\$ 169,095	\$ 13,652
Pulaski County Public Service Authority	1,263,095	74,053
Town of Dublin	18,334	1,394
Montgomery Regional Solid Waste Authority	1,929,863	178,905
Giles County Public Service Authority	323,473	57,523
Total	\$ 3,703,860	\$ 325,527

Note 13 - Litigation:

As of June 30, 2023, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable.

Note 14 - Risk Management:

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

Note 15 - Upcoming Pronouncements:

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

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

Note 15 - Upcoming Pronouncements:

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

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

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

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

Required Supplementary Information

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS - PENSION PLAN
FOR THE MEASUREMENT DATES OF JUNE 30, 2014 THROUGH JUNE 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 104,988	\$ 101,064	\$ 99,893	\$ 91,001	\$ 94,049	\$ 98,852	\$ 89,180	\$ 84,434	\$ 78,289
Interest	285,842	246,819	222,815	211,355	190,756	187,083	165,841	151,390	140,116
Differences between expected and actual experience	47,849	72,270	102,230	(58,080)	74,020	(110,287)	91,906	22,001	-
Changes in assumptions	-	121,988	-	118,402	-	(85,603)	-	-	-
Benefit payments	(70,637)	(67,401)	(71,248)	(76,039)	(38,183)	(51,834)	(49,986)	(52,756)	(61,962)
Net change in pension liability	\$ 368,042	\$ 474,740	\$ 353,690	\$ 286,639	\$ 320,642	\$ 38,211	\$ 296,941	\$ 205,069	\$ 156,443
Total pension liability - beginning	4,165,020	3,690,280	3,336,590	3,049,951	2,729,309	2,691,098	2,394,157	2,189,088	2,032,645
Total pension liability - ending (a)	\$ 4,533,062	\$ 4,165,020	\$ 3,690,280	\$ 3,336,590	\$ 3,049,951	\$ 2,729,309	\$ 2,691,098	\$ 2,394,157	\$ 2,189,088
Plan Fiduciary Net Position									
Contributions - employer	\$ 80,091	\$ 78,194	\$ 67,171	\$ 63,799	\$ 82,888	\$ 82,319	\$ 82,209	\$ 74,465	\$ 73,049
Contributions - employee	58,936	57,907	57,569	54,090	51,814	51,834	49,304	44,810	41,240
Net investment income	(7,130)	852,815	57,247	185,594	185,253	263,874	38,061	85,513	245,470
Benefit payments	(70,637)	(67,401)	(71,248)	(76,039)	(38,183)	(51,834)	(49,986)	(52,756)	(61,962)
Administrator charges	(2,427)	(1,999)	(1,852)	(1,749)	(1,488)	(1,402)	(1,169)	(1,091)	(1,265)
Other	95	82	(69)	(117)	(375)	(470)	(15)	(19)	13
Net change in plan fiduciary net position	\$ 58,928	\$ 919,598	\$ 108,818	\$ 225,578	\$ 279,909	\$ 344,321	\$ 118,404	\$ 150,922	\$ 296,545
Plan Fiduciary Net Position - beginning	3,971,671	3,052,073	2,943,255	2,717,677	2,437,768	2,093,447	1,975,043	1,824,121	1,527,576
Plan Fiduciary Net Position - ending (b)	\$ 4,030,599	\$ 3,971,671	\$ 3,052,073	\$ 2,943,255	\$ 2,717,677	\$ 2,437,768	\$ 2,093,447	\$ 1,975,043	\$ 1,824,121
Authority's net pension liability - ending (a) - (b)	\$ 502,463	\$ 193,349	\$ 638,207	\$ 393,335	\$ 332,274	\$ 291,541	\$ 597,651	\$ 419,114	\$ 364,967
Plan fiduciary net position as a percentage of the total pension liability	88.92%	95.36%	82.71%	88.21%	89.11%	89.32%	77.79%	82.49%	83.33%
Covered payroll	\$ 1,250,685	\$ 1,211,856	\$ 1,205,173	\$ 1,114,119	\$ 1,042,658	\$ 1,044,064	\$ 994,408	\$ 896,200	\$ 824,800
Authority's net pension liability as a percentage of covered payroll	40.18%	15.95%	52.96%	35.30%	31.87%	27.92%	60.10%	46.77%	44.25%

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

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2023

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)
2023	\$ 95,866	\$ 95,866	\$ -	\$ 1,249,860	7.67%
2022	80,363	80,363	-	1,250,685	6.43%
2021	84,896	84,896	-	1,211,856	7.01%
2020	67,468	67,468	-	1,205,173	5.60%
2019	63,799	63,799	-	1,114,119	5.73%
2018	82,888	82,888	-	1,042,658	7.95%
2017	82,319	82,319	-	1,044,064	7.88%
2016	82,209	82,209	-	994,408	8.27%
2015	74,465	74,465	-	896,200	8.31%
2014	73,049	73,049	-	824,800	8.86%

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

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN
FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF AUTHORITY'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 THROUGH JUNE 30, 2022

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)
2022	0.00575%	\$ 69,236	\$ 1,250,685	5.54%	67.21%
2021	0.00586%	68,226	1,211,856	5.63%	67.45%
2020	0.00590%	97,794	1,205,173	8.11%	52.64%
2019	0.00568%	92,429	1,114,119	8.30%	52.00%
2018	0.00548%	84,000	1,042,658	8.06%	51.22%
2017	0.00566%	86,000	1,044,064	8.24%	48.86%

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

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2023

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)
2023	\$ 7,268	\$ 7,268	\$ -	\$ 1,249,860	0.58%
2022	6,690	6,690	-	1,250,685	0.53%
2021	6,544	6,544	-	1,211,856	0.54%
2020	6,267	6,267	-	1,205,173	0.52%
2019	5,794	5,794	-	1,114,119	0.52%
2018	5,422	5,422	-	1,042,658	0.52%
2017	5,429	5,429	-	1,044,064	0.52%
2016	4,773	4,773	-	994,408	0.48%
2015	4,302	4,302	-	896,200	0.48%
2014	3,959	3,959	-	824,800	0.48%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
GROUP LIFE INSURANCE (GLI) PLAN
FOR THE YEAR ENDED JUNE 30, 2023

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

Non-Largest Ten Locality Employers - General Employees

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

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE MEASUREMENT DATES OF JUNE 30, 2018 THROUGH JUNE 30, 2022

	2022	2021	2020	2019	2018
Total HIC OPEB Liability					
Service cost	\$ 796	\$ 948	\$ 848	\$ 784	\$ 700
Interest	1,453	1,316	1,334	1,281	1,157
Differences between expected and actual experience	(724)	(685)	(2,451)	(1,260)	78
Changes of assumptions	5,660	(208)	-	659	-
Benefit payments	(279)	-	-	-	(335)
Net change in total HIC OPEB liability	\$ 6,906	\$ 1,371	\$ (269)	\$ 1,464	\$ 1,600
Total HIC OPEB Liability - beginning	20,869	19,498	19,767	18,303	16,703
Total HIC OPEB Liability - ending (a)	\$ 27,775	\$ 20,869	\$ 19,498	\$ 19,767	\$ 18,303
Plan Fiduciary Net Position					
Contributions - employer	\$ 620	\$ 605	\$ 603	\$ 557	\$ 939
Net investment income	35	6,860	500	1,491	1,494
Benefit payments	(279)	-	-	-	(335)
Administrator charges	(59)	(83)	(49)	(33)	36
Other	-	-	-	(2)	(171)
Net change in plan fiduciary net position	\$ 317	\$ 7,382	\$ 1,054	\$ 2,013	\$ 1,963
Plan fiduciary net position - beginning	33,058	25,676	24,622	22,609	20,646
Plan fiduciary net position - ending (b)	\$ 33,375	\$ 33,058	\$ 25,676	\$ 24,622	\$ 22,609
Authority's net HIC OPEB liability (asset) - ending (a) - (b)	\$ (5,600)	\$ (12,189)	\$ (6,178)	\$ (4,855)	\$ (4,306)
Plan fiduciary net position as a percentage of the total HIC OPEB liability	120.16%	158.41%	131.69%	124.56%	123.53%
Covered payroll	\$ 1,250,685	\$ 1,211,856	\$ 1,205,173	\$ 1,114,119	\$ 1,042,658
Authority's net HIC OPEB liability (asset) as a percentage of covered payroll	-0.45%	-1.01%	-0.51%	-0.44%	-0.41%

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

NEW RIVER RESOURCE AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH JUNE 30, 2023

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)
2023	\$ -	\$ -	\$ -	\$ 1,249,860	0.00%
2022	606	606	-	1,250,685	0.05%
2021	606	606	-	1,211,856	0.05%
2020	603	603	-	1,205,173	0.05%
2019	557	557	-	1,114,119	0.05%
2018	939	939	-	1,042,658	0.09%
2017	940	940	-	1,044,064	0.09%
2016	1,094	1,094	-	994,408	0.11%
2015	986	986	-	896,200	0.11%
2014	1,155	1,155	-	824,800	0.14%

NEW RIVER RESOURCE AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
HEALTH INSURANCE CREDIT (HIC) PLAN
FOR THE YEAR ENDED JUNE 30, 2023

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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

COMPLIANCE SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and the aggregate remaining fund information of New River Resource Authority as of and for the year ended June 30, 2023, 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 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered New River Resource Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New River Resource Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of New River Resource Authority's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Famer, Cox Associates

Blacksburg, Virginia
October 23, 2023



November 1, 2023

MEMORANDUM:

TO: NEW RIVER RESOURCE AUTHORITY BOARD MEMBERS

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

A handwritten signature in blue ink, appearing to read "JRL", is positioned to the right of the "FROM" line.

SUBJECT: 2022 BOARD MEETING SCHEDULE

The following is the schedule for NRRA Board meetings for the 2024 calendar year. It is recommended that the Board adopt this schedule at the November 15, 2023, meeting.

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



November 7, 2023

MEMORANDUM:

TO: NEW RIVER RESOURCE AUTHORITY BOARD MEMBERS

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

A handwritten signature in blue ink, consisting of stylized initials "JRL" followed by a horizontal line.

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

This report includes the following:

- Waste Stream Report for October 2023
- Operations Summary

In summary of the Balance Sheet, revenues to date are 7% above projections and expenses are 0.5% below projections to date. The amount transferred to the Reserve Fund for the month of October 2023, was \$179,794.80. The total year to date transferred to the Reserve Fund is \$740,538.38.

Operations Summary

October 27, Marjorie Atkins, Dave Rupe, and Monica Furrow attended the Woods Rogers Vandeventer Black Labor Law Seminar in Roanoke, Virginia.

October 30, the new Caterpillar 336-8-CF12 Excavator arrived on site.

November 3, Mark Lutz from SCS Global was on site performing Climate Action Reserve carbon credit verification.

November 6-7, Ayers and Son LLC scheduled to install insulation in the old shop.

Ingles Mountain & West Fork

October 27, NRRA Staff conducted routine inspection of Ingles Mountain Facility.

October 30-November 1, NRRA Staff performed routine maintenance and boundary fence work at West Fork Mitigation Site.

Upcoming

November 28, Edward Shelton with VRSA will be on site to conduct a mock inspection.

Surplus Equipment

Fiscal Year: 2023-2024

To be Auctioned

John Deere 1050K Dozer
CAT 336 Excavator
2010 F-250: 0251
2010 F-250: 3712
2017 Dodge 5500 (Mechanic Truck)
2012 Ram 1500
Swamp Fox Kawasaki Mule: Diesel
Champion Air Compressor: Old Shop

Auctioned

Rex 550 Compactor
Toro Mower
Ford F-550
Fuel Tank
PTO North Star Generator
Skid Steer Brush Cutter Attachment

WASTE STREAM REPORT FOR
OCTOBER 2023

MEMBER JURISDICTION	MUNICIPAL SOLID WASTE	CONST. DEBRIS	CLEAN WOOD	POTW/IND	TIRES	TOTALS	% OF TOTAL
TOWN OF DUBLIN	57.51	0.00	0.00	0.00	0.00	57.51	0.38
DUBLIN INDUST./COMMERCIAL	15.80	128.64	1.48	0.00	0.00	145.92	
DUBLIN PRIVATE	0.00	0.00	0.00	0.00	0.00	0.00	
DUBLIN TOTAL	73.31	128.64	1.48	0.00	0.00	203.43	1.36
GILES COUNTY P. S. A.	1036.99	22.99	13.56	0.00	0.00	1073.54	7.15
GILES CO. INDUST./COMMERCIAL	14.11	306.96	0.00	24.10	0.00	345.17	
GILES COUNTY PRIVATE	0.00	0.00	0.00	0.00	0.00	0.00	
GILES COUNTY TOTAL	1051.10	329.95	13.56	24.10	0.00	1418.71	9.45
MONTGOMERY REGIONAL SWA	7028.80	0.00	0.00	0.00	0.00	7028.80	46.83
MONTGOMERY COUNTY	3.14	88.11	2.95	308.02	0.00	402.22	
MONTGOMERY COUNTY	7031.94	88.11	2.95	308.02	0.00	7431.02	49.51
PULASKI COUNTY P. S. A.	1965.02	57.93	7.18	217.38	3.08	2250.59	15.00
PULASKI CO. IND./COMMERCIAL	646.14	408.67	88.92	0.00	12.52	1156.25	
PULASKI COUNTY PRIVATE	0.00	0.00	0.00	0.00	0.00	0.00	
PULASKI COUNTY TOTAL	2611.16	466.60	96.10	217.38	15.60	3406.84	22.70
CITY OF RADFORD	536.80	0.77	0.00	0.00	0.00	537.57	3.58
RADFORD INDUST./COMMERCIAL	227.07	51.76	3.84	0.00	1.15	283.82	
RADFORD PRIVATE	0.00	0.00	0.00	0.00	0.00	0.00	
RADFORD UNIVERSITY	102.50	2.77	1.06	0.00	0.34	106.67	
RADFORD TOTAL	866.37	55.30	4.90	0.00	1.49	928.06	6.18
NON MEMBERS							
FLOYD COUNTY	1069.00	0.00	0.00	54.86	0.00	1123.86	7.49
WYTHE/BLAND CO.	283.73	22.87	0.00	189.56	0.26	496.42	3.31
ROANOKE VR AUTH.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NRRA TOTALS	12986.61	1091.47	118.99	793.92	17.35	15008.34	100.00

**WASTE STREAM REPORT FOR
JANUARY THROUGH DECEMBER 2022**

MONTH	MUNICIPAL SOLID WASTE	CONST. DEBRIS	CLEAN WOOD	POTW/IND	TIRES	TOTALS	YTD TOTAL
January 2022	10,554.15	5,228.45	85.44	1,213.48	18.75	17,100.27	17,100.27
February 2022	10,951.02	6,579.21	83.51	1,476.90	21.15	19,111.79	36,212.06
March 2022	13,976.81	4,683.84	83.97	1,537.41	28.81	20,310.84	56,522.90
April 2022	13,305.40	4,709.90	115.80	1,497.83	27.21	19,656.14	76,179.04
May 2022	14,366.92	4,125.44	81.05	1,701.53	30.90	20,305.84	96,484.88
June 2022	12,996.08	3,640.37	108.34	1,494.39	11.72	18,250.90	114,735.78
July 2022	12,519.90	4,541.18	87.67	1,210.63	20.91	18,380.29	133,116.07
August 2022	14,512.25	5,261.37	112.47	1,356.48	31.81	21,274.38	154,390.45
September 2022	12,687.48	3,925.54	91.60	1,210.03	30.00	17,944.65	172,335.10
October 2022	12,103.82	3,888.76	93.21	1,369.09	23.34	17,478.22	189,813.32
November 2022	11,787.24	4,293.54	98.73	1,190.25	19.03	17,388.79	207,202.11
December 2022	11,837.00	4,835.60	70.00	1,095.99	23.57	17,862.16	225,064.27
NRRA TOTALS	151,598.07	55,713.20	1,111.79	16,354.01	287.20	225,064.27	

**WASTE STREAM REPORT FOR
JANUARY THROUGH DECEMBER 2023**

MONTH	MUNICIPAL SOLID WASTE	CONST. DEBRIS	CLEAN WOOD	POTW/IND	TIRES	TOTALS	YTD TOTAL
January 2023	12,063.52	5,397.53	98.40	1,003.76	36.71	18,599.92	18,599.92
February 2023	11,365.22	2,911.34	107.94	953.95	40.24	15,378.69	33,978.61
March 2023	12,665.87	2,230.95	113.23	1,212.99	34.97	16,258.01	50,236.62
April 2023	12,803.86	885.54	100.69	723.21	19.50	14,532.80	64,769.42
May 2023	15,551.93	1,146.62	105.00	843.33	22.95	17,669.83	82,439.25
June 2023	14,121.53	1,189.41	114.69	1,122.02	49.22	16,596.87	99,036.12
July 2023	13,156.31	1,911.08	86.14	735.70	25.05	15,914.28	114,950.40
August 2023	14,272.94	1,360.18	114.90	563.14	21.29	16,332.45	131,282.85
September 2023	12,645.79	1,109.62	113.63	824.85	23.30	14,717.19	146,000.04
October 2023	12,986.61	1,091.47	118.99	793.92	17.35	15,008.34	161,008.38
November 2023	0.00	0.00	0.00	0.00	0.00	0.00	161,008.38
December 2023	0.00	0.00	0.00	0.00	0.00	0.00	161,008.38
NRRA TOTALS	131,633.58	19,233.74	1,073.61	8,776.87	290.58	161,008.38	