

**Financial Statements
and
Independent Auditors' Report
New River Solid Waste Association
Raiford, Florida
September 30, 2020**

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Independent Auditors' Report

Honorable Board of Directors
New River Solid Waste Association
Raiford, Florida

We have audited the accompanying financial statements of New River Solid Waste Association as of and for the year ended September 30, 2020, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New River Solid Waste Association, as of September 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other post-employment benefit and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 issued our report dated May 13, 2021 on our consideration of the New River Solid Waste Association'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 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 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 Solid Waste Association's internal control over financial reporting and compliance.

DDF CPA Group

May 13, 2021

**Management's Discussion
and Analysis (Unaudited)**

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2020**

The New River Solid Waste Association's (the "Association") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Association's financial activity, and (c) identify changes in the Association's financial position (its ability to address the next and subsequent year challenges).

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Association's financial statements which follows this discussion.

Financial Highlights

- The Association issued an Invitation for Bid (IFB) for Exposed Geomembrane Cover (EGC) Closure Phase I Installation. The Association awarded Comanco Environmental Corporation with the contract. Closure for Phase I has been completed.
- The Association entered contract negotiations with Fortistar for the Landfill Gas-to-Energy project in 2019. The negotiations have been finalized with an agreement signed in October 2020.
- The Association issued an Invitation for Bid (IFB) for Cell 7 Expansion Construction Landfill Liner Construction. The bid was awarded to Comanco Environmental Corporation in mid-October 2020. Cell 7 Construction is expected to be completed in late-2021.

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2020**

USING THIS ANNUAL REPORT

The financial statement's focus is on the Association as a whole. This discussion and analysis is intended to serve as an introduction to the New River Solid Waste Association's basic financial statements, which are comprised of two components: 1) the financial statements, and 2) notes to the financial statements.

Financial Statements

The financial statements are designed to provide readers with a broad overview of the Association's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Association's assets and liabilities, with the difference between the two reported as net assets. The focus of the statement of net assets is designed to be similar to bottom line results for a commercial enterprise. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Association is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Assets presents information showing how the Association's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the government's revenues.

The statement of cash flows presents the change in the Association's cash and cash equivalents during the period reported on. This information can assist the user of the report in determining how the Association financed its activities and met their cash requirements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided.

Proprietary Funds

The Association maintains one proprietary fund type - an Enterprise Fund. The Association uses an enterprise fund to account for its solid waste disposal system.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. They can be found following this discussion.

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2020**

FINANCIAL ANALYSIS

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the current year, the Association's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,322,886.

The following table reflects the condensed Statement of Net Assets for the current year as compared to the prior year. For more detailed information see the Statement of Net Assets.

	<u>2020</u>	<u>2019</u>
Assets and Deferred Outflow of Resources:		
Current and Other Assets	\$ 51,132,833	\$ 48,467,339
Capital Assets	10,631,224	11,420,587
Deferred Outflow of Resources	<u>347,573</u>	<u>313,800</u>
Total Assets and Deferred Outflow of Resources	<u>62,111,630</u>	<u>60,201,726</u>
Liabilities and Deferred Inflow of Resources:		
Long-Term Liabilities	17,459,380	18,988,648
Other Liabilities	338,556	448,911
Deferred Inflow of Resources	<u>(9,192)</u>	<u>54,001</u>
Total Liabilities	<u>17,788,744</u>	<u>19,491,560</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	10,631,224	11,420,587
Restricted: Landfill Closure Costs (nonexpendable)	7,835,049	6,650,994
Unrestricted	<u>25,856,613</u>	<u>22,638,585</u>
Total Net Assets	<u>\$ 44,322,886</u>	<u>\$ 40,710,166</u>

Approximately 24 percent of the Association's net assets reflect its investment in capital assets (e.g. land, buildings, improvements, infrastructure, and vehicles and equipment) less any related debt used, if any, to acquire those assets which are still outstanding. The Association uses these assets to provide services to its customers; consequently, these assets are not available for future spending.

At September 30, 2020, the Association was able to report positive balances in all categories of net assets.

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2020**

FINANCIAL ANALYSIS (continued)

Statement of Revenues, Expenses and Changes in Fund Net Assets

The following table reflects condensed Statements of Revenues, Expenses and Changes in Net Assets for the current year as compared to the prior year. For more detailed information see the Statement of Revenues, Expenses and Changes in Fund Net Assets.

	<u>2020</u>	<u>2019</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,175,544	\$ 8,388,350
General Revenues		
Net Investment Income (Loss)	778,260	950,162
Rental Revenue	22,418	17,356
Gain on Disposal of Fixed Assets	171,450	43,943
Other	<u>42,714</u>	<u>22,286</u>
Total Revenues	9,190,386	9,422,097
Expenses:		
Personal Services	2,175,160	1,683,833
Operating Expenses	2,184,599	2,160,290
Closure and Monitoring Costs	(1,295,565)	3,959,820
Depreciation	2,113,472	2,124,088
Host Fees Paid to Member Counties	<u>400,000</u>	<u>400,000</u>
Total Expenses	<u>5,577,666</u>	<u>10,328,031</u>
Change in Net Assets	3,612,720	(905,934)
Total Net Assets - October 1	<u>40,710,166</u>	<u>41,616,100</u>
Total Net Assets - September 30	<u>\$ 44,322,886</u>	<u>\$ 40,710,166</u>

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2020**

FINANCIAL ANALYSIS (continued)

Capital Assets

The Association's investment in capital assets for its business-type activities as of September 30, 2020 amounts to \$10.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, equipment and landfill site costs. The Association purchased \$1,153,779 in property, plant and equipment during the fiscal year and \$384,718 remains in construction projects at year-end. Major capital assets added during the current fiscal year included the following:

- CAT D8T Tractor - \$735,062
- 2019 Ford F-150 - \$42,214
- Electrical Generator - \$4,699
- Emergency Power Office - \$31,993

Capital Assets (Net of Depreciation)

	2020	2019
Land	\$ 682,400	\$ 682,400
Construction in Progress	384,718	208,638
Land Improvements	480,753	558,106
Building and Improvements	222,710	225,009
Machinery and Equipment	2,048,668	2,032,208
Landfill	6,811,975	7,714,226
Total	\$ 10,631,224	\$ 11,420,587

Additional information on the Association's capital assets can be found in the Notes to the Financial Statements in this report

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2020**

FINANCIAL ANALYSIS (concluded)

Long-Term Debt

At the end of the current fiscal year, the Association had total debt outstanding of approximately \$17.5 million. This debt consisted of \$14.5 million in estimated landfill closure and monitoring costs, \$303,966 in accrued compensated absences, \$1,321,492 in net OPEB obligations and \$1,420,675 in net pension obligations.

A summary of long-term debt obligations of the Association follows:

	<u>2020</u>	<u>2019</u>
Accrued Compensated Absences	\$ 303,966	\$ 280,108
Accrued Closing/Long-Term Care Costs	14,514,569	16,804,413
Net Pension Liability-FRS/HIS	1,420,675	1,174,110
Net OPEB Obligation	<u>1,321,492</u>	<u>823,386</u>
Total	<u>\$ 17,560,702</u>	<u>\$ 19,082,017</u>

Additional information on the Association's long-term debt can be found in the Notes to the Financial Statements in this report.

Requests for Information

This financial report is designed to provide a general overview of the New River Solid Waste Association's finances for all those with an interest in the Association's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Association's Director at P.O. Box 647, Raiford, Florida 32083.

**Statement of Net Assets
September 30, 2020
New River Solid Waste Association**

Assets and Deferred Outflow of Resources

Current Assets	
Cash and Equivalents	\$ 26,448,026
Investments	9,366,766
Accounts Receivable	741,903
Prepaid Expense	<u>38,392</u>
Total Current Assets	36,595,087
Capital Assets, Net	10,631,224
Restricted Assets	
Cash and Equivalents	3,687,165
Investments	<u>10,850,581</u>
Total Restricted Assets	<u>14,537,746</u>
Total Assets	61,764,057
Deferred Outflow of Resources	<u>347,573</u>
Total Assets and Deferred Outflow of Resources	<u>62,111,630</u>

Liabilities, Deferred Inflow of Resources and Net Assets

Current Liabilities	
Accounts Payable	237,234
Accrued Compensated Absences	<u>101,322</u>
Total Current Liabilities	338,556
Long-Term Liabilities	
Accrued Compensated Absences	202,644
Accrued Closing/Long-Term Care Costs	14,514,569
Net Pension Liability-FRS/HIS	1,420,675
Net OPEB Obligation	<u>1,321,492</u>
Total Long-Term Liabilities	<u>17,459,380</u>
Total Liabilities	17,797,936
Deferred Inflow of Resources	<u>(9,192)</u>
Total Liabilities and Deferred Inflow of Resources	<u>17,788,744</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	10,631,224
Restricted: Net Landfill Closure Assets (Nonexpendable)	7,835,049
Unrestricted	<u>25,856,613</u>
Total Net Assets	<u>\$ 44,322,886</u>

The notes to financial statements are integral to this statement.

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2020
New River Solid Waste Association**

Operating Revenues	
Charges for Services	\$ 8,175,544
Rental Revenue	22,418
Miscellaneous Revenue	<u>42,714</u>
Total Operating Revenues	8,240,676
Operating Expenses	
Personal Services	2,175,160
Materials, Supplies and Operating Costs	2,184,599
Landfill Closing and Long-Term Care Costs	(1,295,565)
Depreciation Expense	<u>2,113,472</u>
Total Operating Expenses	<u>5,177,666</u>
Operating Income	3,063,010
Nonoperating Revenues (Expenses)	
Net Investment Income	778,260
Host Fees Paid to Member Counties	(400,000)
Gain on Disposal of Fixed Assets	<u>171,450</u>
Total Nonoperating Revenues (Expenses)	<u>549,710</u>
Change in Net Assets	3,612,720
Total Net Assets - October 1	<u>40,710,166</u>
Total Net Assets - September 30	<u><u>\$ 44,322,886</u></u>

The notes to financial statements are integral to this statement.

**Statement of Cash Flows
For the Year Ended September 30, 2020
New River Solid Waste Association**

Cash Flows From Operating Activities	
Cash Received From Customers	\$ 9,158,087
Cash Paid to Suppliers	(3,187,549)
Cash Paid to Employees	(1,606,631)
Assessments Paid to Member Counties	<u>(363,581)</u>
Net Cash Provided by Operating Activities	4,000,326
Cash Flows From NonCapital Financing Activities	
Host Fees Distributed to Member Counties	(400,000)
Cash Flows From Capital and Financing Activities	
Acquisition of Capital Assets	(1,329,859)
Proceeds from Sale of Capital Assets	<u>177,200</u>
Net Cash Used for Capital and Financing Activities	(1,152,659)
Cash Flows From Investing Activities	
Net Investment Income	778,260
Change in Market Value-Non Cash Income	<u>(723,666)</u>
Net Cash Provided by Investing Activities	<u>54,594</u>
Net Increase in Cash	2,502,261
Cash - October 1	<u>27,632,930</u>
Cash - September 30	<u>\$ 30,135,191</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$ 3,063,010
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation/Amortization	2,113,472
Accounts Receivable	553,830
Prepays	6,603
Deferred Outflow of Resources	(33,773)
Accounts Payable	(118,308)
Accrued Expenses	23,858
Accrued Closure/Long-Term Care Costs	(2,289,844)
Net OPEB Obligation	498,106
Net Pension Obligation-FRS	246,565
Deferred Inflow of Resources	<u>(63,193)</u>
Net Cash Provided by Operating Activities	<u>\$ 4,000,326</u>

The notes to financial statements are integral to this statement.

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association**

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the New River Solid Waste Association (the "Association") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The governments of Baker, Bradford and Union Counties established the Association to provide a regional approach to solid waste management, for the citizens of the region encompassing Baker, Bradford and Union Counties, without regard to political or governmental boundaries, in order to promote and protect the public health, welfare and safety of the citizens of the region.

Pursuant to Section 403.706(2)(b), Florida Statute which requires that "a local resource recovery and management program be established by special act of the legislature or by interlocal agreement," the Counties executed an Interlocal Agreement on July 5, 1988. The purpose of the Agreement was to effectively, efficiently and economically dispose of the solid waste generated within the region and to provide associated services related to solid waste management through the creation of the Association. The members of the Board of Directors for the Association are appointed by each government.

In the event there is a complete dissolution of the Association and such dissolution involves the disposition of the property of the Association, such property shall be distributed or liquidated so that each County receives an equal share of the assets, property and liabilities.

Generally accepted accounting principles require that this financial statement present the Association (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government. There were no entities that would be considered component units of the Association.

Basic Financial Statements

The basic financial statements (i.e., the Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Fund Net Assets and the Statements of Cash Flows) report information on all of the Business-type activities of the Association. *Business-type activities* rely to a significant extent on fees and charges for support. The Association collects tipping fees from customers that send solid waste to the landfill.

The Statement of Revenues, Expenses and Changes in Fund Net Assets demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The basic financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Association's activities are grouped, in the financial statements in this report, into one generic enterprise fund as follows:

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is to recover costs (expenses, including depreciation) in providing services to customers of New River Solid Waste Association, primarily through user charges called tipping fees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statement to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Association has elected not to follow subsequent private-sector guidance.

Amounts reported as revenues include 1) charges to customers for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the single enterprise fund are charges to customers for disposal of solid waste. Operating expenses for the enterprise fund included the cost of providing services and a landfill site, administrative expenses, and depreciation and amortization of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Fund Equity

Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Association's policy to use restricted resources first, then unrestricted resources as they are needed.

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 1 - Summary of Significant Accounting Policies (concluded)

Assets, Liabilities and Fund Equity (continued)

Deposits with Financial Institutions

All cash and equivalents are deposited with financial institutions that are certified as "Qualified Public Depositories (QPD's)," as required under the Florida Public Deposits Act. This law requires every qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of an amount to be determined by the State Treasurer and requires the State Treasurer to ensure that funds are entirely collateralized throughout the fiscal year. As of September 30, 2020, the Association's deposit with QPD's totaled approximately \$30.1 million.

Uncollectible Accounts Receivable

An allowance for uncollectible accounts receivable has not been established, due to management's belief that uncollectible accounts are immaterial.

Restricted Assets

Certain assets, cash and investments for landfill closure, are classified as restricted on the statement of net assets because they are limited as to use by the Florida Department of Environmental Protection. Additionally, an employee vending machine cash account is classified as restricted cash.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the basic financial statements. Capital assets are defined by the Association as items with an individual cost of \$1,000 or more and an estimated useful life of one year or more. Such assets are recorded at historical cost if purchased or estimated historical cost if donated. The costs of creating landfill cells that are used to collect and hold the waste are capitalized and depreciated over their useful lives.

Compensated Absences

The policy of the Association is to pay employees upon termination for unused annual leave. The employees are eligible to receive payment for up to 360 hours of their unused annual leave. After ten years of creditable service, employees are also eligible to receive payment for 50% of unused sick leave up to 720 hours when terminating employment with the Association.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

Annual budgets were adopted on a cash basis. Such basis does not conform to generally accepted accounting principles. Appropriations made under this budget lapse at year end.

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 2 – Investments

The Association follows Section 218.415 of the Florida Statutes for investment of funds. The Statute allows governments to invest or reinvest any surplus public funds in:

- a. The Local Government Surplus Funds Trust Fund (SBA) or any intergovernmental investment pool authorized under the Florida Interlocal Cooperation Act of 1969.
- b. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- c. Interest-bearing time deposits or savings accounts in qualified public depositories.
- d. Direct obligations of the U.S. Treasury

In accordance with GASB Statement No.40, as of September 30, 2020, the Association had the following investments:

Investment Type	2020					
	Fair Value	Maturity is Not Applicable	Investment Maturities (in years)			
			Less Than 1	1-5	6-10	More Than 10
Fannie Mae	\$ 363,564	\$ -	\$ -	\$ -	\$ 363,564	\$ -
Federal Home Loan Mortgage Corporation	690,722	-	-	690,722	-	-
Florida Local Government Investment Trust	10,850,581	10,850,581	-	-	-	-
U.S. Treasury Obligations	8,312,480	857,252	12,986	4,709,781	2,732,461	-
Total	<u>\$ 20,217,347</u>	<u>\$ 11,707,833</u>	<u>\$ 12,986</u>	<u>\$ 5,400,503</u>	<u>\$ 3,096,025</u>	<u>\$ -</u>

Interest Rate Risk: The Association does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk: The Association does not have a policy that limits the amount that may be invested in any type of investment.

Custodial Credit Risk: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of September 30, 2020, the Association held approximately \$10.9 million in uninsured and uncollateralized debt obligations.

The Association invests in the Florida Local Government Investment Trust (FLGIT). The FLGIT is a local government pool created by the Florida Association of Court Clerks and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on longer term securities with the highest credit ratings. The FLGIT reports all share information at Net Asset Value (NAV) and reflects in its share value at fair value in accordance with GASB 31. The effective maturity of the underlying investments is five years or less. At September 30, 2020, the FLGIT was invested in corporate bonds, government related securities, asset-backed securities, agency discount notes and treasury notes. This investment type is subject to some market risk due to the fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board. At year end, the Association had \$10,850,581 invested with FLGIT.

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 2 – Investments (Continued)

The Association's debt investment ratings at September 30, 2020 are presented below:

<u>Investments</u>	<u>Fair Value</u>	<u>S & P Quality Rating</u>		
		<u>AAA</u>	<u>AA</u>	<u>Unrated</u>
Fannie Mae	\$ 363,564	\$ 363,564	-	-
Federal Home Loan Mortgage Corporation	690,722	690,722	-	-
Florida Local Government Investment Trust	10,850,581	10,850,581	-	-
U.S. Treasury Obligations	8,312,480	8,312,480	-	-
Total	\$ 20,217,347	\$ 20,217,347	\$ -	\$ -

Note 3 - Related Party Transactions

Tipping Fees, Assessment Fees and Revenue Sharing

The Association is jointly governed by Baker, Bradford and Union Counties' Board of County Commissioners. The Association provided revenue sharing (host fees) funds to member counties which are shared equally. However, Union County received an additional host fee in the amount of \$100,000 for fiscal year 2020 for hosting out-of-region waste. For the fiscal year September 30, 2020, Baker, Bradford and Union County Board of County Commissioners were provided \$100,000 each.

Receivables owed by the County Commissions were \$82,137 as of September 30, 2020. The following schedule shows the revenue billed to each related party:

	<u>Tipping Fee Revenue</u>	<u>County Assessments</u>	<u>Association Revenue</u>
Baker County Board of County Commissioners	\$ 699,770	\$ -	\$ 699,770
Bradford County Board of County Commissioners	857,353	(228,596)	628,757
Union County Board of County Commissioners	412,837	(134,985)	277,852
Total	\$ 1,969,960	\$ (363,581)	\$ 1,606,379

Bradford and Union County charge assessments on specified tons brought to the Association. Bradford and Union County customers were charged an assessment of \$14 per ton. These charges are disbursed monthly to the Bradford and Union County Board of County Commissioners; and, therefore, deducted from revenue of the Association.

Note 4 – Concentrations

In the normal course of business, the Association extends unsecured credit to customers principally in north-central Florida. The Association entered into a contract with the Alachua County Board of County Commissioners to accept waste from the citizens of Alachua and Gilchrist Counties. Tipping Fees charged to Alachua County Board of County Commissioners made up approximately 67% of charges for services reported by the Association in 2020.

Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)

Note 5 - Risk Management

The Association purchased insurance to limit the exposure of the following risks of loss: theft of, damage to and destruction of assets; natural disasters and injuries to employees. Commercial insurance has also been purchased by the Association to cover the risk of loss due to employee errors or omissions and health insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

Note 6 - Capital Assets

Capital assets activity for the year ended September 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not Being Depreciated:				
Land	\$ 682,400	\$ -	\$ -	\$ 682,400
Construction in Progress	<u>208,638</u>	<u>176,080</u>	<u>-</u>	<u>384,718</u>
Total Capital Assets not Depreciated	891,038	176,080	-	1,067,118
Capital Assets Being Depreciated:				
Land Improvements	3,450,451	43,192	-	3,493,643
Buildings and Improvements	725,626	23,930	-	749,556
Machinery and Equipment	6,396,820	826,200	669,736	6,553,284
Landfill	<u>23,710,235</u>	<u>260,457</u>	<u>-</u>	<u>23,970,692</u>
Total Capital Assets Being Depreciated	<u>34,283,132</u>	<u>1,153,779</u>	<u>669,736</u>	<u>34,767,175</u>
Less Accumulated Depreciation for:				
Land Improvements	2,892,345	120,545	-	3,012,890
Buildings and Improvements	500,617	26,229	-	526,846
Machinery and Equipment	4,364,612	803,990	663,986	4,504,616
Landfill	<u>15,996,009</u>	<u>1,162,708</u>	<u>-</u>	<u>17,158,717</u>
Total Accumulated Depreciation	<u>23,753,583</u>	<u>2,113,472</u>	<u>663,986</u>	<u>25,203,069</u>
Total Capital Assets Being Depreciated, Net	<u>10,529,549</u>	<u>(959,693)</u>	<u>5,750</u>	<u>9,564,106</u>
Total Capital Assets, Net	<u>\$ 11,420,587</u>	<u>\$ (783,613)</u>	<u>\$ 5,750</u>	<u>\$ 10,631,224</u>

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	Years
Buildings	10-35
Improvements	5-35
Landfill	5-39
Equipment	3-10

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 7 - Long-Term Obligations

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Accrued Closing/Long Term Care Costs	\$ 16,804,413	\$ -	\$ 2,289,844	\$ 14,514,569	\$ -
Accrued Compensated Absences	280,108	23,858	-	303,966	101,322
Net Pension Obligation-FRS/HIS	1,174,110	246,565	-	1,420,675	
Net OPEB Obligation	823,386	498,106	-	1,321,492	-
Long-Term Liabilities	<u>\$ 19,082,017</u>	<u>\$ 768,529</u>	<u>\$ 2,289,844</u>	<u>\$ 17,560,702</u>	<u>\$ 101,322</u>

Note 8 - Pension Plan

Florida Retirement System

General Information - All of the Association's eligible employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 8 - Pension Plan (continued)

service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular—8.47% and 10% and Senior Management Service—25.41% and 27.29%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively.

The Association's contributions, including employee contributions, to the Pension Plan totaled \$97,560 for the plan year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Association reported a liability of

Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)

Note 8 - Pension Plan (continued)

\$1,046,122 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Association's proportionate share of the net pension liability was based on the Association's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the Association's proportionate share was .002413674%, which was an increase of 0.0009942% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2020, the Association recognized pension expense of \$264,372. In addition, the Association reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

DESCRIPTION	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	\$ 74,400	\$ 34,364
Change of assumptions	221,143	(25,388)
Net difference between projected and actual earnings on Pension Plan investments	(53,664)	(72,743)
Changes in proportion and differences between Association Pension Plan contributions and proportionate share of contributions	26,327	23,963
Association Pension Plan contributions subsequent to the measurement date	17,183	-
	<u>\$ 285,389</u>	<u>\$ (39,804)</u>

Deferred outflows or resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

FRS	
Fiscal Year Ending September 30	Amount
2020	\$ (36)
2021	\$ (36)
2022	\$ (36)
2023	\$ (36)
2024	\$ (36)
Thereafter	\$ (14)

Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)

Note 8 - Pension Plan (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial Cost Method	Individual Entry Age
Salary Increases	3.25%
Investment rate of return	6.80% net of pension plan investment expense

Mortality rates were based on PUB-2010 with Projections Scale MP-2018

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>ASSET CLASS</u>	<u>TARGET ALLOCATION (1)</u>	<u>ANNUAL ARITHMETIC RETURN</u>	<u>COMPOUND ANNUAL (GEOMETRIC) RETURN</u>
Cash	1.00%	2.20%	2.20%
Fixed Income	19.00%	3.00%	2.90%
Global Equity	54.20%	8.00%	6.70%
Real Estate	10.30%	6.40%	5.80%
Private Equity	11.10%	10.80%	8.10%
Strategic Investments	4.40%	5.50%	5.30%

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. 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 discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)

Note 8 - Pension Plan (continued)

Sensitivity of the Association's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Association's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Association's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	FRS NET PENSION LIABILITY		
	CURRENT		
	1% DECREASE	DISCOUNT RATE	1% INCREASE
	5.80%	6.80%	7.80%
Association's Proportionate share of the net pension liability \$	1,670,481 \$	1,046,122 \$	524,655

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2020, the Association reported no payables for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)

Note 8 - Pension Plan (continued)

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020 was 1.66% and 1.66%, respectively. The Association contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Association's contributions to the HIS Plan totaled \$17,673 for the plan year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the Association reported a liability of \$374,530 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Association's proportionate share of the net pension liability was based on the Association's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the Association's proportionate share was .003067443% percent, which was a decrease of 0.0027543% from its proportionate share measured as of June 30, 2020.

The Association reported deferred outflows of resources and deferred in flows of resources related to pensions-HIS from the following sources:

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 8 - Pension Plan (continued)

DESCRIPTION	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	\$ 15,321	\$ 288
Change of assumptions	40,273	21,777
Investments	42	-
Net difference between projected and actual earnings on Pension Plan investments	(7,745)	-
Changes in proportion and differences between Association Pension Plan contributions and proportionate share of contributions	9,416	8,547
Association Pension Plan contributions subsequent to the measurement date	4,877	-
	<u>\$ 62,184</u>	<u>\$ 30,612</u>

Deferred outflows or resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

HIS	
Fiscal Year Ending September 30	Amount
2020	\$ (608)
2021	\$ (608)
2022	\$ (608)
2023	\$ (608)
2024	\$ (608)
Thereafter	\$ (729)

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 8 - Pension Plan (continued)

Actuarial Assumptions – The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Actuarial Cost Method	Individual Entry Age
Salary Increases	3.25% average, including inflation
Discount rate	2.21%

Mortality rates were based on PUB-2010 with Projections Scale MP-2018

Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determine the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate - The discount rate used to measure the HIS liability was 2.21%. In general, the discount rate for calculating the HIS liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Association's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Association's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the Association's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	<u>1% DECREASE</u>	<u>CURRENT</u>	<u>1% INCREASE</u>
	<u>1.21%</u>	<u>DISCOUNT RATE</u>	<u>3.21%</u>
		<u>2.21%</u>	
Association's Proportionate share of the net pension liability \$	\$ 432,940	\$ 374,530	\$ 326,721

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2020, the Association reported no payables for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

**Notes to Financial Statements
For the Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 8 - Pension Plan (concluded)

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Association employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Association Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2019-20 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 8.47% and 10% and Senior Management Service class 25.41% and 27.29% for the periods October 1, 2019 – June 30, 2020 and July 1, 2020 – September 30, 2020.

The Association's contributions to the Investment Plan totaled \$45,296 for the plan year ended June 30, 2020.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Association.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 9 - Closing and Long-Term Care Costs

State and federal laws and regulations require the Association to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for at least thirty years after closing.

Although the Association was granted permission not to expend closing and long-term care cost until maximum closure capacity is reached, the Association is exploring the benefits of a "close as you go" approach based on current technology and options that may be more beneficial and result in a cost savings. Currently, the Association reports a portion of these closing and long-term care costs as an operating expense in each period, based on landfill capacity used as of each fiscal year end. The landfill capacity used as of September 30, 2020 was 92%.

The amount of \$14,514,569 reported as accrued closing/long-term care costs at September 30, 2020 represents the extent to which closing and long-term care expenses recognized to date exceeds closing and long-term care equipment and facilities that have been acquired to date. These amounts are based on what it would cost to perform all closing and long-term care as of September 30, 2020. The actual cost may be higher due to inflation, changes in technology or changes in regulations. The Association will recognize the remaining costs of closing and long-term care costs as the remaining capacity is filled.

The Association is required by state and federal laws and regulations to make annual contributions to approved investment accounts to finance closing costs. As of 2020, the Association is using the balance method to calculate the amount of funding required. This method requires the continued use throughout the design life of the landfill and also allows excess audited balances over required closing balances to be removed from closing upon receiving written authorization from FDEP. The Association was in compliance with funding requirements at September 30, 2020. The Association had cash equivalents and investments totaling \$14,533,037 at September 30, 2020 that were set aside for these purposes. The cash equivalents and investments are reported as restricted assets on the Statement of Net Assets. The amount by which the investments restricted for closing exceed the accrued liability for closing is \$7,835,049 which is reported as Restricted Net Assets on the Statement of Net Assets. No written approval has been requested from FDEP, nor are any plans imminent in the near future, to request removal of these excess funds.

The Association plans to fund the anticipated future inflation costs from earnings on the investments. However, if investment earnings are inadequate or additional long-term care requirements are necessary, due to changes in technology or applicable laws or regulations, then the costs may need to be funded by assessments from member counties.

Unlike closing costs, there are currently no required laws or regulations for government-owned landfills to fund or make deposits for future long-term care expected costs. Total long-term care estimates as of September 30, 2020 were determined to be \$8,476,978. Pursuant to the amended interlocal agreement, any unfunded long-term care costs (liabilities) in existence at the time of dissolution will be split equally among each member county.

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 10 – Other Postemployment Benefits (OPEB)

The New River Solid Waste Association administers a single-employer, defined benefit post-employment health insurance plan to provide Other Post-Employment Benefits (OPEB). This plan does not include the pension benefits discussed in Note 8. The Finance Director is responsible for the administration of the plan in accordance with Association’s personnel policies. The plan is fully funded with accumulated assets to fund future payment of OPEB benefits in the amount of \$1,357,851. There is no irrevocable trust established for the plan. A separate stand-alone financial statement is not prepared for the OPEB plan.

Plan Membership

As of September 30, 2020, the plan membership data is as follows:

Active Employees	19
Retirees	<u>1</u>
Total	<u>20</u>

Benefits Provided

The plan provides medical insurance for eligible retirees through the Association’s group health insurance plan, which covers both active and retired members. Benefit provisions are established and amended by the governing board. The plan provides the following benefits upon retirement:

A NRSWA employee who has reached 55 years of age and who has been employed by NRSWA for a minimum of 15 consecutive years of credible service is eligible to receive upon retirement up to 80% of the health insurance benefit package that regular employees are receiving and annually, thereafter, until time of their death.

A NRSWA employee who has reached 55 years of age and who has been employed by NRSWA for a minimum of 20 consecutive years of credible service is eligible to receive upon retirement 100% of the health insurance benefit package that regular employees are receiving and annually, thereafter, until time of their death.

A NRSWA employee who has retired must register for Medicare at age 65 to qualify for continued NRSWA health insurance benefits.

Contributions

Employees do not contribute to the plan during their active service. The Association has been making contributions to the plan to keep it fully funded. For the year ended September 30, 2020, the Association contributed \$260,000.

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 10 – Other Postemployment Benefits (OPEB) (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of September 30, 2020 (the measurement date). The following actuarial assumptions were applied:

Age Adjustment Factor	1.930136
Average Retirement Age	65
Employer Future Premium Contribution	Remain at current \$ level over time
Actuarial Cost Method	Entry Age Normal
Amortiation Cost Method	Level Percentage of Payroll
Amortization Period	20
Assets Backing OPEB Liability	\$1,357,851
Plan Asset Return	1.000%
Projected Annual Salary Increases	3.00%
Bond Yield	1.050%
Discount Rate	0.989%
Measurement Date	9/30/2020
Prior Measurement Date	9/30/2019
Prior Year Discount Rate	0.920%
Percentage Participation	100%
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years
NOL and ADC	Calculated using the Allternative Measurement Method (AMM) in accordance GASB methodology
Turnover Assumption	Derived from data maintained by the US Office of Personnel Management regarding the most recet experiene of the employee group covered by the Federal Employees Retirement System
Healthcare Cost Trend Rate	Health: 4.6% in Year One, trending to 4.7% in Year Ten Pharmacy: 7.6% in Year One, trending to 4.7% in Year Ten Dental: 3.5% in Year One, trending to 3.0% in Year Ten Vision: 3.0% in Year One, trending to 3.0% in Year Ten

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2020
New River Solid Waste Association
(Continued)**

Note 10 – Other Postemployment Benefits (OPEB) (continued)

Changes in the Total OPEB Liability

The changes in the total OPEB Liability from the last reporting period to the current period are as follows:

Service Cost	\$ 69,182
Interest on Total OPEB Obligation	8,173
Effect of Economic/Demographic Gains/Losses	448,357
Changes in Assumptions	(19,206)
Benefit Payments	<u>(8,400)</u>
Net Changes	498,106
Net OPEB Obligation - Beginning of Year	<u>823,386</u>
Net OPEB Obligation - End of Year	<u>\$ 1,321,492</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents what the total OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	<u>Discount Rate -1%</u>	<u>Baseline</u>	<u>Discount Rate +1%</u>
Discount Rate	-0.011%	0.989%	1.989%
Net OPEB Liability	\$279,675	(\$36,359)	(\$276,999)
Change from Baseline	\$316,034	\$0	(\$240,640)

**Notes to Financial Statements
For the Fiscal Year Ended September 30, 2020
New River Solid Waste Association
(Concluded)**

Note 10 – Other Postemployment Benefits (OPEB) (concluded)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend

The following represents the total OPEB liability of the Association, as well as what the Association's total OPEB liability would be if it were calculated using a healthcare cost trend rate 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates:

	Baseline Trend -1%	Baseline Trend	Baseline Trend +1%
Net OPEB Liability	(\$221,317)	(\$36,359)	\$210,314
Change from Baseline	(\$184,958)	\$0	\$246,673

Note 11 – Subsequent Events

Management has evaluated subsequent events through the date which the financial statements were issued. The following events occurred that would require disclosure in these financial statements:

- The Association entered contract negotiations with Fortistar for the Landfill Gas-to-Energy project in 2019. The negotiations have been finalized with an agreement signed in October 2020.
- The Association issued an Invitation for Bid (IFB) for Cell 7 Expansion Construction Landfill Liner Construction. The bid was awarded to Comanco Environmental Corporation in mid-October 2020. Cell 7 Construction is expected to be completed in late-2021.

Required Supplementary Information

**Required Supplementary Information
Other Postemployment Benefits
New River Solid Waste Association**

I. SCHEDULE OF CHANGES IN NET OPEB LIABILITY

Year	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll
2020	\$1,321,492	\$1,357,851	(\$36,359)	\$1,087,319	121.54%
2019	\$823,386	\$1,096,682	(\$273,296)	\$1,047,547	78.60%
2018	\$781,158	\$835,779	(\$54,621)	\$1,055,092	74.04%

II. SCHEDULE OF ACTUARIAL DETERMINED CONTRIBUTIONS

Year	Actuarial Determined Contributions	Actual Contributions	Over (Under) Funded	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2020	N/A (1)	\$260,000	N/A	\$1,087,319	23.91%
2019	N/A (1)	\$260,000	N/A	\$1,047,547	24.82%
2018	N/A (1)	\$635,200	N/A	\$1,055,092	60.20%

(1) fully funded

III. NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date	September 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Amortization Period	20
Asset Valuation Method	Market
Actuarial Assumptions:	
Plan Asset Return	1.00%
Projected Annual Salary Increase	3.0%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables
Healthcare Cost Trend	Health: 4.9% in Year One, trending to 4.3% in Year Ten Pharmacy: 5.9% in Year One, trending to 4.3% in Year Ten Dental - 3.5% in Year One, trending to 3.0% in Year Ten Vision - 3.0% in Year One, trending to 3.0% in Year Ten

**Required Supplementary Information
Proportionate Share of Net Pension Liability
Florida Retirement System
New River Solid Waste Association**

	2020	2019	2018	2017	2016	2015	2014
NRSWA's proportion of the net pension liability (asset)	0.002413674%	0.002403732%	0.002522348%	0.002276908%	0.002278396%	0.002520082%	0.238903500%
NRSWA's proportionate share of the net pension liability	\$1,046,122	\$827,814	\$759,744	\$673,725	\$575,297	\$325,598	\$145,766
NRSWA's covered employee payroll	\$1,064,621	\$1,035,099	\$1,050,996	\$974,928	\$960,639	\$968,891	\$951,320
NRSWA's proportionate share of the net pension liability as a percentage of its covered employee payroll	98.26%	79.97%	72.29%	69.11%	59.89%	33.61%	15.32%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

**Required Supplementary Information
Schedule of Contributions
Florida Retirement System
New River Solid Waste Association**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$142,856	\$135,339	\$133,599	\$116,075	\$111,641	\$115,045	\$106,667
Contributions in relation to contractually required contributions	<u>(\$142,856)</u>	<u>(\$135,339)</u>	<u>(\$133,599)</u>	<u>(\$116,075)</u>	<u>(\$111,641)</u>	<u>(\$115,045)</u>	<u>(\$106,667)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NRSWA's covered employee payroll	\$1,064,621	\$1,035,098	\$1,050,996	\$974,928	\$960,639	\$968,891	\$951,320
Contributions as a percentage of covered employee payroll	13.42%	13.07%	12.71%	11.91%	11.62%	11.87%	11.21%

**Required Supplementary Information
Proportionate Share of Net Pension Liability
Health Insurance Subsidy
New River Solid Waste Association**

	2020	2019	2018	2017	2016	2015	2014
NRSWA's proportion of the net pension liability	0.003067443%	0.003094986%	0.003217820%	0.003058610%	0.003103058%	0.003193632%	0.320184000%
NRSWA's proportionate share of the net pension liability	\$374,530	\$346,298	\$340,578	\$327,041	\$356,468	\$325,700	\$299,380
NRSWA's covered employee payroll	\$1,064,621	\$1,035,099	\$1,050,996	\$974,928	\$960,639	\$968,891	\$951,320
NRSWA's proportionate share of the net pension liability as a percentage of its covered employee payroll	33.18%	33.45%	32.41%	33.55%	37.11%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

**Required Supplementary Information
Schedule of Contributions
Health Insurance Subsidy
New River Solid Waste Association**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$17,673	\$17,183	\$17,447	\$16,184	\$15,947	\$12,208	\$11,416
Contributions in relation to contractually required contributions	<u>(\$17,673)</u>	<u>(\$17,183)</u>	<u>(\$17,447)</u>	<u>(\$16,184)</u>	<u>(\$15,947)</u>	<u>(\$12,208)</u>	<u>(\$11,416)</u>
Contribution deficiency (excess)	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
NRSWA's covered employee payroll	\$1,064,621	\$1,035,099	\$1,050,996	\$974,928	\$960,639	\$968,891	\$951,320
Contributions as a percentage of covered employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

**Additional Elements Required by the
Rules of the Auditor General**



Management Letter

The Honorable Board of Directors
New River Solid Waste Association
Raiford, Florida

We have audited the financial statements of New River Solid Waste Association (the "Association"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 13, 2021.

Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Schedule of Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 13, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding audit. With regard to prior audit findings, there were none.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not New River Solid Waste Association has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the New River Solid Waste Association did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the New River Solid Waste Association. It is management's responsibility to monitor the New River Solid Waste's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)(2), Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statement that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

DDF CPA Group

May 13, 2021



**Independent Auditors' Report on Compliance with
Section 218.415, Florida Statutes**

The Honorable Board of Directors
New River Solid Waste Association
Raiford, Florida

We have examined New River Solid Waste's compliance with the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. Management is responsible for New River Solid Waste's compliance with those requirements. Our responsibility is to express an opinion on New River Solid Waste's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about New River Solid Waste Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on New River Solid Waste's compliance with specified requirements.

In our opinion, New River Solid Waste complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

DDF CPA Group

May 13, 2021



Report on Internal Control over Financial Reporting and on Compliance and Other Matters

The Honorable Board of Directors
New River Solid Waste Association
Raiford, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and major fund of the New River Solid Waste Association (the "Association") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the New River Solid Waste Association's basic financial statements and have issued our report thereon dated May 13, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the 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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of 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 determination of financial statement amounts. 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.

Communication with Those Charged with Governance

Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

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 Solid Waste Association 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 the year. We noted no transactions entered into by the governmental unit 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.

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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- The change in accrued closure and long-term care costs
- Accrual of OPEB and net pension liabilities

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's 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 May 13, 2021.

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 governmental unit's financial statements or a determination of the type of auditor's 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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

DDF CPA Group

May 13, 2021

**Schedule of Findings
For the Year Ended September 30, 2020
New River Solid Waste Association**

PART I - SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion.
2. The audit did not disclose significant deficiencies or material weaknesses in internal control over financial reporting.
3. The audit did not disclose any noncompliance considered material to the financial statements.

PART II - FINANCIAL STATEMENT FINDINGS

There were no financial statement findings.

PART III – OTHER ISSUES

A corrective action plan has not been presented because there were no current year audit findings that were required to be reported.

PART IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no findings reported in the prior year audit.