

NEW RIVER SOLID WASTE ASSOCIATION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

**NEW RIVER SOLID WASTE ASSOCIATION
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SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
New River Solid Waste Association:

Report on the Financial Statements

We have audited the accompanying financial statements of the New River Solid Waste Association (the Association), as of and for the year ended September 30, 2021, and the related notes to the financial statements which collectively comprise the Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider 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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the New River Solid Waste Association, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2022, on our consideration of the 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 the 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 the Association's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
June 8, 2022

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2021**

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 activities, resulting changes and currently known facts, please read it in conjunction with the Association's financial statements which follows this discussion.

Management Highlights

- The Association signed a Lease Agreement with New River RNG, LLC in August 2021 for the Landfill Gas-to-Energy project. Construction was completed March 2022. Lease payments are expected from the agreement to begin July 2022.
- Comanco Environmental Corporation is approximately seventy-five percent complete with Cell 7 Expansion Construction. Cell 7 Construction is expected to be completed in late-2022.

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 Position presents information on all of the Association's assets and liabilities, with the difference between the two reported as net position. The focus of the statement of net position is designed to be similar to bottom line results for a commercial enterprise. Over time, the increases or decreases in net position 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 Net Position presents information showing how the Association's net position 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.

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2021**

USING THIS ANNUAL REPORT (continued)

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.

FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position 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 \$48,489,463.

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

	<u>2021</u>	<u>2020</u>
Assets and Deferred Outflow of Resources:		
Current and Other Assets	\$ 52,026,034	\$ 51,132,833
Capital Assets	13,204,888	10,631,224
Deferred Outflow of Resources	<u>396,261</u>	<u>347,573</u>
Total Assets and Deferred Outflow of Resources	<u>65,627,183</u>	<u>62,111,630</u>
Liabilities and Deferred Inflow of Resources:		
Long-Term Liabilities	15,158,518	17,560,702
Other Liabilities	1,209,232	237,234
Deferred Inflow of Resources	<u>769,970</u>	<u>(9,192)</u>
Total Liabilities	<u>17,137,720</u>	<u>17,788,744</u>
Net Position:		
Invested in Capital Assets, Net of Related Debt	12,150,175	10,631,224
Restricted: Landfill Closure Costs (nonexpendable)	8,546,614	7,835,049
Unrestricted	<u>27,792,674</u>	<u>25,856,613</u>
Total Net Position	<u>\$ 48,489,463</u>	<u>\$ 44,322,886</u>

Approximately 28 percent of the Association's net position 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, 2021, the Association was able to report positive balances in all categories of net position.

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2021**

FINANCIAL ANALYSIS (continued)

Statement of Revenues, Expenses and Changes in Net Position

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

	<u>2021</u>	<u>2020</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,626,693	\$ 8,175,544
General Revenues		
Net Investment Income (Loss)	(120,180)	778,260
Rental Revenue	18,413	22,418
Gain on Disposal of Fixed Assets	35,423	171,450
Other	<u>109,954</u>	<u>42,714</u>
Total Revenues	8,670,303	9,190,386
Expenses:		
Personal Services	1,744,278	2,175,160
Operating Expenses	1,923,019	2,184,599
Closure and Monitoring Costs	(1,696,647)	(1,295,565)
Depreciation	2,133,076	2,113,472
Host Fees Paid to Member Counties	<u>400,000</u>	<u>400,000</u>
Total Expenses	<u>4,503,726</u>	<u>5,577,666</u>
Change in Net Position	4,166,577	3,612,720
Net Position - October 1	<u>44,322,886</u>	<u>40,710,166</u>
Net Position - September 30	<u>\$ 48,489,463</u>	<u>\$ 44,322,886</u>

Capital Assets

The Association's investment in capital assets for its business-type activities as of September 30, 2021 amounts to \$13.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles, equipment and landfill site costs. The Association purchased \$4,712,317 in property, plant and equipment during the fiscal year and approximately \$4.2 million remains in construction projects at year-end. Major capital assets added during the current fiscal year included the following:

- CAT 326FL Hydraulic Excavator - \$269,992
- 2021 Ford F-250 - \$42,738
- 4500 GAL 6V-16 Hoist Sys Tank - \$77,877
- 2017 CAT 140K Motor Grader - \$229,000

**New River Solid Waste Association
Management's Discussion and Analysis (Unaudited)
September 30, 2021**

FINANCIAL ANALYSIS (concluded)

Capital Assets (Net of Depreciation)

	2021	2020
Land	\$ 682,400	\$ 682,400
Construction in Progress	4,198,782	384,718
Land Improvements	409,411	480,753
Building and Improvements	196,351	222,710
Machinery and Equipment	1,890,912	2,048,668
Landfill	5,827,032	6,811,975
Total	\$ 13,204,888	\$ 10,631,224

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

Long-Term Debt

At the end of the current fiscal year, the Association had total debt outstanding of approximately \$15 million. This debt consisted of \$12.9 million in estimated landfill closure and monitoring costs, \$296,591 in accrued compensated absences, \$1,433,006 in net OPEB obligations and \$610,999 in net pension obligations.

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

	2021	2020
Accrued Compensated Absences	\$ 296,591	\$ 303,966
Accrued Closing/Long-Term Care Costs	12,817,922	14,514,569
Net Pension Liability-FRS/HIS	610,999	1,420,675
Net OPEB Obligation	1,433,006	1,321,492
Total	\$ 15,158,518	\$ 17,560,702

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.

**NEW RIVER SOLID WASTE ASSOCIATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 27,222,906
Investments	9,213,652
Restricted assets:	
Cash and cash equivalents	3,694,425
Investments	10,874,837
Accounts receivable	916,880
Prepaid items	103,334
Total current assets	<u>52,026,034</u>
Noncurrent assets:	
Capital assets:	
Non-depreciable	4,881,182
Depreciable, net	8,323,706
Total noncurrent assets	<u>13,204,888</u>
Total assets	<u><u>\$ 65,230,922</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	<u><u>\$ 396,261</u></u>
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LIABILITIES

Current liabilities:	
Accounts payable	\$ 1,209,232
Current portion of compensated absences	98,864
Total current liabilities	<u>1,308,096</u>
Noncurrent liabilities:	
Compensated absences	197,727
Landfill closure/long term care liability	12,817,922
OPEB liability	1,433,006
Net pension liability	610,999
Total noncurrent liabilities	<u>15,059,654</u>
Total liabilities	<u><u>\$ 16,367,750</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u><u>\$ 769,970</u></u>
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NET POSITION

Net investment in capital assets	\$ 12,150,175
Restricted for landfill closure	8,546,614
Unrestricted	27,792,674
Total net position	<u><u>\$ 48,489,463</u></u>

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

NEW RIVER SOLID WASTE ASSOCIATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Operating revenues	
Charges for services	\$ 8,626,693
Rental income	18,413
Miscellaneous revenue	109,954
Total operating revenues	<u>8,755,060</u>
Operating expenses	
Personnel services	1,744,278
Materials, supplies and operating costs	1,923,019
Landfill closing and long-term care cost estimation adjustments	(1,696,647)
Depreciation	2,133,076
Total operating expenses	<u>4,103,726</u>
Operating income (loss)	<u>4,651,334</u>
Nonoperating revenues (expenses)	
Net investment income (expense)	(120,180)
Host fees paid to member counties	(400,000)
Gain (loss) on disposal of capital assets	35,423
Total nonoperating revenues (expenses)	<u>(484,757)</u>
Change in net position	<u>4,166,577</u>
Net position, beginning of year	44,322,886
Net position, end of year	<u>\$ 48,489,463</u>

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

**NEW RIVER SOLID WASTE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Cash flows from operating activities	
Cash received from customers	\$ 8,996,529
Cash payments to employees	(1,719,341)
Cash payments to suppliers	(1,015,964)
Cash payments to member counties	(416,446)
Net cash provided by (used in) operating activities	<u>5,844,778</u>
Cash flows from noncapital financing activities	
Host fees distributed to member counties	(400,000)
Net cash provided by (used in) noncapital financing activities	<u>(400,000)</u>
Cash flows from capital and related financing activities	
Proceeds from sale of capital assets	41,000
Payments to acquire and construct plant property	(4,712,317)
Net cash provided by (used in) capital and related financing activities	<u>(4,671,317)</u>
Cash flows from investing activities	
Purchase of investments	(183,251)
Interest received	191,929
Net cash provided by (used in) investing activities	<u>8,678</u>
Net change in cash and cash equivalents	<u>782,139</u>
Cash and cash equivalents, beginning of year	30,135,192
Cash and cash equivalents, end of year	<u>\$ 30,917,331</u>
Reconciliation of operating income (loss) to net cash provided by operating activities	
Cash flows from operating activities	
Operating income (loss)	\$ 4,651,334
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	2,133,076
Changes in assets and liabilities	
Accounts receivable	(174,977)
Prepaid expenses	(64,942)
Accounts payable	971,997
Compensated absences	(7,375)
Landfill closure liability	(1,696,647)
OPEB liability	111,514
Net pension liability	(79,202)
Total adjustments	<u>1,193,444</u>
Net cash provided by (used in) operating activities	<u>\$ 5,844,778</u>
Cash and cash equivalents classified as:	
Unrestricted	\$ 27,222,906
Restricted	3,694,425
Total cash and cash equivalents	<u>\$ 30,917,331</u>

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

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) Summary of Significant Accounting Policies:

The accounting policies of the New River Solid Waste Association (the Association) conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant policies.

(a) **Reporting entity**—The Association is a multi-county special unit of government created through an interlocal agreement between the Baker, Bradford, and Union Counties, dated July 5, 1988. The Association provides 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. It is an independent special district created pursuant to the authority provided in Chapter 163, Part 1, Florida Statutes.

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.

The Association uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are entities for which the Association is considered to be financially accountable or entities that would be misleading to exclude. There are no other entities that qualify for inclusion as a component unit within the Association's reporting entity.

(b) **Basis of presentation**—The financial transactions of the Association are reported as a proprietary fund type - Enterprise Fund. Enterprise Funds are used to account for activities in a manner similar to private-sector business enterprises. The Association's operating revenues result from exchange transactions. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

(c) **Measurement focus and basis of accounting**—The Association utilizes the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

(d) **Cash and cash equivalents**—The Association's cash consists of legally authorized demand deposits. The institutions in which such deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the total bank balances on deposit at September 30, 2021 are insured or collateralized pursuant to Chapter 280, Florida Statutes. For purposes of the statement of cash flows, the Association considers only highly liquid investments with original maturities of less than three months to be cash equivalents.

(e) **Investments**—The Association is authorized to invest in the Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposits in qualified public depositories; and direct obligations of the U.S. Treasury. Such investments are stated at cost plus accrued interest, which approximates fair value.

(f) **Accounts receivable**—The Association's accounts receivable are stated at gross value. Management estimates is that all significant receivables will be collected within a reasonable time frame and no allowance for uncollectable accounts should be established.

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(g) **Prepays**—Certain payments to vendors reflect costs applicable to future accounting periods and are recognized on the consumption method and recorded as prepaid items on the financial statements.

(h) **Capital assets**—Capital assets are recorded at cost less accumulated depreciation, except contributed assets which are recorded at acquisition value on the date of contribution. Expenses of \$1,000 or more are capitalized. Depreciation, on a straight-line basis, is charged over estimated useful lives ranging from 3 to 39 years.

(i) **Compensated absences**—The Association's policy is to pay employees upon termination for unused annual leave for up to 360 hours. After ten years of creditable service, employees are also eligible to receive payment upon termination for 50% of unused sick leave up to 720 hours. A liability for compensated absences is accrued when incurred in the Association's financial statements.

(j) **Impact fees**—The Association has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, Florida Statutes.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of net position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note (1).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only item in this category is deferred inflows of resources related to pensions, as discussed further in Note (1).

(l) **Net position flow assumption**—Sometimes the Association will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the Association's policy to consider restricted net position to have been used before unrestricted net position is applied.

(m) **Revenue recognition**—Operating revenue consists primarily of charges for tipping fees. Billings are included in revenue as customers who send solid waste to the landfill are billed.

(n) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(2) **Deposits and Investments:**

(a) **Deposits and investments**—The Association invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes. Accordingly, the Association is authorized to invest excess public funds in the following instruments: the Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposits in qualified public depositories; and direct obligations of the U.S. Treasury.

At September 30, 2021, the Association's cash and investments consisted of the following:

Investment Type	Amount
Investments and restricted investments	\$ 20,088,489
Cash on deposit	30,917,331
Total cash and investments (unrestricted and restricted)	\$ 51,005,820

At September 30, 2021, the Association's investments consisted of the following:

Investment Type	Fair Value	S & P Quality Rating	Maturity is Not Applicable	Investment Maturities (in years)		
				Less than 1	1-5	6-10
Fannie Mae	\$ 347,496	AAA	\$ -	\$ -	\$ 347,496	\$ -
Florida Local Government Investment Trust	10,874,837	AAA	10,874,837	-	-	-
U.S. Treasury Obligations	8,866,156	AAA	1,009,537	-	5,211,463	2,645,156
Total Investments	\$ 20,088,489		\$ 11,884,374	\$ -	\$ 5,558,959	\$ 2,645,156

(b) **Custodial credit risk**—For an investment, custodial credit is the risk that, in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts.

(c) **Credit risk**—Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Association does not have a formal investment policy that limits its investment types.

(d) **Interest rate risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Association has no formal policy relating to a specific investment-related risk.

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, 2021, 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.

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(3) Capital Assets:

Changes in the Association's capital assets for the year ended September 30, 2021, were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets				
Capital assets not being depreciated:				
Land	\$ 682,400	\$ -	\$ -	\$ 682,400
Construction in progress	384,718	3,814,064	-	4,198,782
Total assets not being depreciated	<u>1,067,118</u>	<u>3,814,064</u>	<u>-</u>	<u>4,881,182</u>
Capital assets being depreciated:				
Landfill	23,970,692	190,129	-	24,160,821
Land improvements	3,493,643	36,288	-	3,529,931
Buildings and improvements	749,556	-	-	749,556
Machinery and equipment	6,553,284	671,836	(261,851)	6,963,269
Total assets being depreciated	<u>34,767,175</u>	<u>898,253</u>	<u>(261,851)</u>	<u>35,403,577</u>
Less: accumulated depreciation				
Landfill	(17,158,717)	(1,175,072)	-	(18,333,789)
Land improvements	(3,012,890)	(107,630)	-	(3,120,520)
Buildings and improvements	(526,846)	(26,359)	-	(553,205)
Machinery and equipment	(4,504,616)	(824,015)	256,274	(5,072,357)
Total accumulated depreciation	<u>(25,203,069)</u>	<u>(2,133,076)</u>	<u>256,274</u>	<u>(27,079,871)</u>
Total capital assets being depreciated, net	<u>9,564,106</u>	<u>(1,234,823)</u>	<u>(5,577)</u>	<u>8,323,706</u>
Capital assets, net	<u>\$ 10,631,224</u>	<u>\$ 2,579,241</u>	<u>\$ (5,577)</u>	<u>\$ 13,204,888</u>

Depreciation expense for 2021 was \$2,133,076.

(4) Long-Term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended September 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Closing/Long term Care Costs	\$ 14,514,569	\$ -	\$ (1,696,647)	\$ 12,817,922	\$ -
Compensated absences	303,966	92,425	(99,800)	296,591	98,864
Total	<u>\$ 14,818,535</u>	<u>\$ 92,425</u>	<u>\$ (1,796,447)</u>	<u>\$ 13,114,513</u>	<u>\$ 98,864</u>

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(4) **Long-Term Liabilities:** (Continued)

Accrued Landfill Closure 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, 2021 was 79%.

The amount of \$12,817,922 reported as accrued closing/long-term care costs at September 30, 2021 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, 2021. 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 2021, 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, 2021. The Association had cash equivalents and investments totaling \$14,559,133 at September 30, 2021 that were set aside for these purposes. The cash equivalents and investments are reported as restricted assets on the Statement of Net Position. The amount by which the investments restricted for closing exceed the accrued liability for closing is \$8,546,614 which is reported as Restricted Net Position on the Statement of Net Position. No written approval has been requested from FDEP, nor are any plans imminent in the near future, to request removal of any 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 or charges for services.

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, 2021 were determined to be \$8,578,701. 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.

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(5) **Pension Plan:**

Plan Description and Administration

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost-sharing defined public employee retirement system which covers all of the entity's full-time employees. The System is administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

**NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(5) **Pension Plan:** (Continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The entity participates in certain classes of FRS membership. Each class had descriptions and contribution rates in effect during the year ended September 30, 2021, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2021	After June 30, 2021
Regular Class	10.00%	10.82%
Senior Management (SMSC)	27.29%	29.01%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, which are included in the above rates.

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(5) **Pension Plan:** (Continued)

For the plan year ended June 30, 2021, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$ 104,947
Entity Contributions – HIS	19,307
Employee Contributions – FRS	34,892

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At September 30, 2021, the entity reported a liability related to FRS and HIS as follows:

<u>Plan</u>	<u>Net Pension Liability</u>
FRS	\$ 208,095
HIS	402,904
Total	<u>\$ 610,999</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The entity's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2021 and June 30, 2020, the entity's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2021</u>	<u>2020</u>
FRS	0.002754821%	0.002413674%
HIS	0.003284585%	0.003067443%

For the year ended June 30, 2021, pension expense was recognized related to the FRS and HIS plans as follows:

<u>Plan</u>	<u>Pension Expense</u>
FRS	\$ 17,791
HIS	30,542
Total	<u>\$ 48,333</u>

Deferred outflows/inflows related to pensions:

At September 30, 2021, the entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,668	\$ -	\$ 13,482	\$ (169)
Changes of assumptions	142,389	-	31,659	(16,601)
Net different between projected and actual investment earnings	-	(725,992)	420	-
Change in Association's proportionate share	106,008	(14,874)	27,518	(12,334)
Contributions subsequent to measurement date	33,689	-	5,428	-
	<u>\$ 317,754</u>	<u>\$ (740,866)</u>	<u>\$ 78,507</u>	<u>\$ (29,104)</u>

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(5) **Pension Plan:** (Continued)

The above amounts for deferred outflows of resources for contributions related to pensions resulting from entity contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

	FRS	HIS	Total
2022	\$ (76,428)	\$ 9,950	\$ (66,478)
2023	(90,308)	5,512	(84,796)
2024	(130,927)	8,920	(122,007)
2025	(173,415)	8,957	(164,458)
2026	14,279	8,180	22,459
Thereafter	-	2,456	2,456
Total	\$ (456,799)	\$ 43,975	\$ (412,824)

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.80%. This rate did not change from the prior year rate. The 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 calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 2.21%. Mortality assumptions for both plans were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2021, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. 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. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(5) **Pension Plan:** (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Expected Rate of Return</u>
Cash	1.0%	2.1%
Fixed income	20.0%	3.8%
Global equities	54.2%	8.2%
Real estate	10.3%	7.1%
Private equity	10.8%	11.7%
Strategic investments	3.7%	5.7%
Total	<u>100.0%</u>	

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.80%	\$ 930,616	\$ 208,095	\$ (395,851)
HIS	2.16%	465,796	402,904	351,378

(6) **Other Post-Employment Benefits (OPEB):**

The Association does not provide any postretirement health care or life insurance benefits for employees. As mandated by Chapter 112.0801, *Florida Statutes*, retirees and their eligible dependents are offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost that is no more than the premium cost applicable to active employees. The entire premium cost is paid by the retirees.

Even though the Association does not provide any postretirement health care or life insurance benefits for employees, there is an implicit rate subsidy because retirees are able to purchase insurance coverage at the same premium cost applicable to active employees. This practice creates a Total OPEB liability based on the theory that retirees have higher utilization of health care benefits than active employees, and the retirees are therefore subsidized by the active employees. This liability must be actuarially determined and recognized in the financial statements. The latest actuarial report used by the Association was the September 30, 2021 actuarial date.

Plan Description—The Association administers a single-employer defined benefit healthcare plan that provides medical and dental coverage to retirees as well as their eligible spouses. Benefits are provided through the Association's group health insurance plan, which covers both active and retired members.

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) Other Post-Employment Benefits (OPEB): (Continued)

Funding Policy—For all retired employees, the employee contributes 100% of the active premium rate and may also purchase spouse coverage at the active premium rate. The Association does not contribute any amount. Plan provisions and contribution requirements are established and may be amended by the Board. Cash in the amount of \$1,618,531 is segregated to fund post retirement benefits, however no trust or agency fund has been established for the plan.

Plan Membership—At September 30, 2021, plan participation consisted of the following:

Active Employees	18
Retired Employees	2
	20
	20

Total OPEB Liability—The Association’s total OPEB liability of \$1,433,006 was measured as of September 30, 2021, and was determined by an actuarial valuation as of September 30, 2021.

Actuarial Assumptions and Other Inputs—The total OPEB liability in the September 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Salary increases	3%
Employer investment return	0%
Post-retirement benefit increases	0%
Discount rate	0.312%
Healthcare cost trend rate	Varies by year

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables. Amortization method/period is the level percentage of payroll over 20 years. The discount rate for September 30, 2021 was 0.312% compared to a discount rate for September 30, 2020 at 0.989%. The Association's total OPEB liability is calculated using the alternative measurement method permitted for employers with fewer than one hundred total plan members. As a result of using the alternative measurement method and the same measurement date as the financial statement date, there are no deferred outflows or inflows of resources related to OPEB.

**NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(6) Other Post-Employment Benefits (OPEB): (Continued)

For the fiscal year ended September 30, 2021, changes in the total OPEB liability were as follows:

	Total OPEB Liability
Balance at September 30, 2020	\$ 1,321,492
Changes for a year:	
Service cost	69,183
Interest	13,712
Effect of economic/demographic gains (losses)	(150,500)
Changes of assumptions	187,519
Benefit payments	(8,400)
Net changes	111,514
Balance at September 30, 2021	\$ 1,433,006

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the Association calculated using the discount rate of 0.312%, as well as what the Association's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (.688%) or 1% higher (1.312%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 2,703,197	\$ 1,433,006	\$ (2,052,151)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the Association as well as what the Association's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (2.00%-4.90%) or 1% higher (4.00%-6.90%) than the current healthcare cost trend rates (3.00%-5.90%):

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ (1,577,546)	\$ 1,433,006	\$ 2,109,062

(7) Risk Management:

The Association is exposed to various risks of loss for which it carries commercial insurance. Settled claims have not exceeded insurance coverage in any of the past three years.

**NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

(8) 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 68% of charges for services reported by the Association in 2021.

(9) Related Party Transactions:

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 2021 for hosting out-of-region waste. For the fiscal year September 30, 2021, Baker, Bradford and Union County Board of County Commissioners were provided \$100,000 each.

Receivables owed by the County Commissions were \$116,675 at September 30, 2021. The following schedule shows the revenue billed to each related party:

<u>County</u>	<u>Tipping Fees Revenue</u>	<u>County Assessments</u>	<u>Association Revenue</u>
Baker County	\$ 693,697	\$ -	\$ 693,697
Bradford County	884,056	(241,021)	643,035
Union County	444,533	(144,667)	299,866
Total	<u>\$ 2,022,286</u>	<u>\$ (385,688)</u>	<u>\$ 1,636,598</u>

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.

NEW RIVER SOLID WASTE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(10) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (“GASB”) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the Association’s financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

- (b) GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, in May 2020. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The provisions in GASB 96 are effective for periods beginning after June 15, 2022.

**NEW RIVER SOLID WASTE ASSOCIATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(UNAUDITED)**

	As of the Plan Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)								
Proportion of the net pension liability	0.275482100%	0.002413674%	0.002403732%	0.002522348%	0.002276908%	0.002278396%	0.002520082%	0.238903500%
Proportionate share of the net pension liability	\$ 208,095	\$ 1,046,122	\$ 827,814	\$ 759,744	\$ 673,725	\$ 575,297	\$ 325,598	\$ 145,766
Covered payroll	1,163,061	1,064,621	1,035,099	1,050,996	974,928	960,639	968,891	951,320
Proportionate share of the net pension liability as a percentage of covered payroll	17.89%	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	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)								
Proportion of the net pension liability	0.003284585%	0.003067443%	0.003094986%	0.003217820%	0.003058610%	0.003103058%	0.003193632%	0.320184000%
Proportionate share of the net pension liability	\$ 402,904	\$ 374,530	\$ 346,298	\$ 340,578	\$ 327,041	\$ 356,468	\$ 325,700	\$ 299,380
Covered payroll	1,163,061	1,064,621	1,035,099	1,050,996	974,928	960,639	968,891	951,320
Proportionate share of the net pension liability as a percentage of covered payroll	34.64%	35.18%	33.46%	32.41%	33.55%	37.11%	33.62%	31.47%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Association will present information for only those years for which information is available.

**NEW RIVER SOLID WASTE ASSOCIATION
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

	As of the Plan Year Ended June 30,							
	2021	2020	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)								
Contractually required contribution	\$ 111,628	\$ 142,856	\$ 135,339	\$ 133,599	\$ 116,075	\$ 111,641	\$ 115,045	\$ 106,667
Contributions in relation to the contractually required contribution	(111,628)	(142,856)	(135,339)	(133,599)	(116,075)	(111,641)	(115,045)	(106,667)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,188,215	\$ 1,064,621	\$ 1,035,099	\$ 1,050,996	\$ 974,928	\$ 960,639	\$ 968,891	\$ 951,320
Contributions as a percentage of covered payroll	9.39%	13.42%	13.07%	12.71%	11.91%	11.62%	11.87%	11.21%
Health Insurance Subsidy Program (HIS)								
Contractually required contribution	\$ 19,724	\$ 17,673	\$ 17,183	\$ 17,447	\$ 16,184	\$ 15,947	\$ 12,208	\$ 11,416
Contributions in relation to the contractually required contribution	(19,724)	(17,673)	(17,183)	(17,447)	(16,184)	(15,947)	(12,208)	(11,416)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,188,215	\$ 1,064,621	\$ 1,035,099	\$ 1,050,996	\$ 974,928	\$ 960,639	\$ 968,891	\$ 951,320
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the Association will present information for only those years for which information is available.

**NEW RIVER SOLID WASTE ASSOCIATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 69,182	\$ 69,182	\$ 69,182	\$ 69,182
Interest	13,712	8,173	11,355	19,780
Effect of economic/demographic gains (losses)	(150,500)	448,357	(101,665)	(268,840)
Changes of assumptions	187,520	(19,206)	71,756	128,801
Benefit payments, including refunds of employee contributions	(8,400)	(8,400)	(8,400)	(3,500)
Net change in total OPEB liability	<u>111,514</u>	<u>498,106</u>	<u>42,228</u>	<u>(54,577)</u>
Total OPEB liability - beginning of year	1,321,492	823,386	781,158	835,735
Total OPEB liability - end of year	<u><u>\$ 1,433,006</u></u>	<u><u>\$ 1,321,492</u></u>	<u><u>\$ 823,386</u></u>	<u><u>\$ 781,158</u></u>
Covered payroll	\$ 1,201,879	\$ 1,087,319	\$ 1,047,547	\$ 1,055,092
Total OPEB liability as a percentage of covered payroll	119.23%	121.54%	78.60%	74.04%

Notes to Schedule:

Valuation date:	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement date:	9/30/2021	9/30/2020	9/30/2019	9/30/2018

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

0.31%	0.99%	0.92%	1.34%
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*10 years of data will be presented as it becomes available.

**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 Solid Waste Association:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of New River Solid Waste Association (the Association) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated June 8, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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.

Gainesville, Florida
June 8, 2022

James Moore & Co., P.L.

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Board of Directors,
New River Solid Waste Association:

Report on the Financial Statements

We have audited the basic financial statements of the New River Solid Waste Association (the Association), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 8, 2022.

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 Reporting Requirements

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*; 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 June 8, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. With regard to the prior audit findings, there were none.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The New River Solid Waste Association was established by special act by the Florida Legislature. There are no component units related to the Association.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Association. It is management's responsibility to monitor the Association'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 had the following recommendation:

2021-001 Subsequent Disbursements - During our testing, we noted an invoice totaling \$1,054,713 related to services performed during the year ended September 30, 2021, were not recorded in accounts payable. Proper cutoffs are critical for the accuracy of the accrual basis of accounting. We recommend that the organization implement accounting policies and procedures that ensure proper cutoff of expenses. Additionally, we recommend there be procedures in place to review all journal entries and adjustments throughout the year to ensure accruals are posted properly and accurately.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Special District Information – New River Solid Waste Association

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Association reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 19.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 2.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$1,231,869.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$28,591.
- e) Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - a. Cell 7 construction project in the amount of \$2,935,431

- b. Project Phase II in the amount of \$208,637
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: the district's original budget totaled \$7,943,341 and was amended by the total amount of \$(34,406), for final budgeted expenditures of \$7,908,935.

Additional Matters

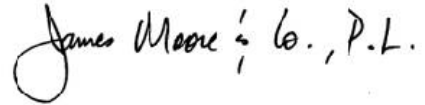
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants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

Management's Response to Findings

The Association's responses to the findings identified in our audit are outlined as listed in the table of contents. The Association's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, Federal and other granting agencies, and applicable management and the Board of Supervisors, and is not intended to be and should not be used by anyone other than these specified parties.



Gainesville, Florida
June 8, 2022

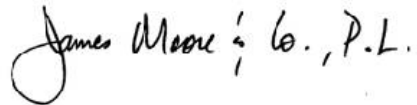
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Board of Directors,
New River Solid Waste Association:

We have examined the New River Solid Waste Association's (the Association) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. The Association's management is responsible for the Association's compliance with those requirements. Our responsibility is to express an opinion on the Association's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Association complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the Association's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the New River Solid Waste Association complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.



Gainesville, Florida
June 8, 2022

Management's Response to Findings

June 8, 2022

2021-001 Subsequent Disbursements - During our testing, we noted an invoice totaling \$1,054,713 related to services performed during the year ended September 30, 2021, were not recorded in accounts payable. Proper cutoffs are critical for the accuracy of the accrual basis of accounting. We recommend that the organization implement accounting policies and procedures that ensure proper cutoff of expenses. Additionally, we recommend there be procedures in place to review all journal entries and adjustments throughout the year to ensure accruals are posted properly and accurately.

RESPONSE to 2021-001: Subsequent Disbursements: The omission of the \$1,054,713 transaction had no impact on net position since it was an accounts payable for capitalized construction costs. However, we recognize the need to establish procedures to review subsequent disbursements for proper cut-off to make sure that transactions are recorded in the appropriate periods. Additionally, a review of journal entries will be performed periodically throughout the year by our CPA consultant given the small size of our accounting staff.