

**AUGUSTA REGIONAL LANDFILL  
VERONA, VIRGINIA**

**ANNUAL  
FINANCIAL REPORT**

**YEARS ENDED JUNE 30, 2023 AND 2022**

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(Hybrid Undivided Interest and Joint Venture  
for the Cities of Staunton and Waynesboro  
and the County of Augusta)

**Prepared by Fiscal Agent:**

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Brent N. Canterbury, CPA  
Director of Finance  
Augusta Water



## **INTRODUCTORY SECTION**

**AUGUSTA REGIONAL LANDFILL**  
**ANNUAL FINANCIAL REPORT**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

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View of Shenandoah National Park from the top of Permit #21.

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## **AUGUSTA REGIONAL LANDFILL**

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(A hybrid undivided interest and joint venture formed by contractual agreement September 21, 1999 for the Cities of Staunton and Waynesboro and the County of Augusta)

### **EXECUTIVE COMMITTEE MEMBERS**

Leslie Beauregard; Chairman  
City of Staunton, City Manager

Michael G. Hamp, II  
City of Waynesboro, City Manager

Timothy K. Fitzgerald  
County of Augusta, County Administrator

(Operating Management Agreement with  
Augusta Water,  
renewed December 31, 2015)

### **OPERATORS AND FISCAL AGENTS:** **AUGUSTA WATER**

Executive Director  
Director of Solid Waste Management

Phillip A. Martin, P.E., L.S.  
Cole Seldomridge

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## **FINANCIAL SECTION**





## **INDEPENDENT AUDITOR'S REPORT**

To the Executive Committee  
Augusta Regional Landfill

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Augusta Regional Landfill (Landfill), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Landfill's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Landfill as of June 30, 2023 and 2022, and respective changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-11 and the required supplementary information on pages 43-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2023 on our consideration of the Landfill's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Landfill's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Landfill's internal control over financial reporting and compliance.

*PBMares, LLP*

Harrisonburg, Virginia  
November 15, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### To the Board of Supervisors of Augusta County, The City Councils of the Cities of Staunton and Waynesboro And Interested Parties to the Augusta Regional Landfill

The Augusta Regional Landfill (Landfill) is a solid waste disposal enterprise jointly owned by the City of Staunton (Staunton), the County of Augusta (Augusta), and the City of Waynesboro (Waynesboro). It is located near the intersection of I64 and I81 in the center of the County of Augusta. The solid waste comes from residents and businesses within the boundaries of the three governments as well as residents of Highland County. The agreement that Highland County would pay commercial tipping fees for its residential solid waste was approved in April 2004.

Permit 21 landfill, contractually formed by Staunton and Augusta in an agreement dated December 11, 1970, was fully closed (capped) in 2005 with final Virginia Department of Environmental Quality (DEQ) certification obtained on December 15, 2005. This date is the official start of the 30-year post-closure care period. Permit 585 landfill, contractually formed on adjacent property by the three governments, amended this original agreement on September 21, 1999 and has been in use since 1998. Under a Landfill Management Agreement renewed on December 31, 2015, Augusta Water continues to contractually operate the Landfill and act as its fiscal agent. The financial statements are presented as a hybrid entity composed of both undivided interests and joint ventures. For more information on the formation of the Landfill and the allocation of revenue, expenses, assets, and liabilities between the governments, please refer to Note 1 of the Notes to the Financial Statements.

This report offers readers of these financial statements a narrative overview and analysis of the financial activities of the Landfill for the fiscal years ended June 30, 2023 and 2022.

### Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Landfill's basic financial statements.

Since the Landfill is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) enterprise fund financial statements and 2) notes to the financial statements. This report also contains required supplementary information and supplementary schedules in addition to the basic financial statements.

- **Enterprise fund financial statements.** The enterprise fund financial statements are designed to provide readers with a broad overview of the Landfill's finances, in a manner similar to a private-sector business. They can be found following the MD&A.

The *statements of net position* present information on the Landfill's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. However, since portions of the Landfill statements are reported as an "undivided interest" between three governments, there is no true equity or net position; therefore, the Landfill assets and deferred outflows of resources equal their liabilities and deferred inflows of resources and the equity for the Landfill owners can be seen in the various *due to* accounts. The two joint ventures, representing the two permitted areas, however, retain their equity as net position. Over time, increases or decreases in *net position* or the *due to* accounts may serve as a useful indicator of whether the financial position of the Landfill is improving or declining.

## Overview of the Financial Statements (continued)

The *statements of revenues, expenses and changes in net position* present information indicating how the Landfill's net position changed during the most recent fiscal years. However, since portions of the Landfill statements are reported as an "undivided interest" the net position change is zero for this portion of the Landfill and comparisons can only be made between specific revenue or expense lines from one year to the next. Revenues and expenses are reported as soon as the underlying event giving rise to the financial transaction occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave, post-employment benefits, or landfill closure and post-closure costs).

The *statements of cash flows* disclose net cash provided by or used for operating activities, capital and non-capital financing activities, and investing activities.

- **Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements follow the basic financial statements.
- **Other information.** In addition to the basic financial statements and accompanying notes, the Required Supplementary Schedules presents OPEB and pension information. The Supplementary Schedules section present budget and actual expenses for fiscal year 2023 for the undivided interest portion of the Landfill and present each of the basic financial statements as a combination undivided interest and joint venture from the Landfill owners' perspective. The Statistical Section includes tables that indicate financial, revenue and operational trend data and the underlying basis for the expense allocations between the localities as well as a map of the landfill.

## Financial Summary

The Landfill's net position decreased and the total "due to participating localities" increased this fiscal year. A further summary of the Landfill's financials is provided below:

- Net position decreased approximately \$1,530,000 in fiscal year 2023. Higher operating revenues of approximately \$420,000 were offset by higher daily operating expenses of approximately \$185,000, higher closure and post-closure costs of approximately \$471,000 related to the estimated capacity used for Permit 585 Phases 1-4 and a decline in capital contributions of \$450,000 were mainly responsible for the decrease in net position.
- The "due to/ (from) participating localities" increased by \$386,703 indicating the sum of the locality's undivided financial interest increased in the Landfill. The County of Augusta's due to account increased by \$381,182, the City of Staunton's due to account decreased by \$77,092 and the City of Waynesboro's due to account increased by \$82,613.
- During fiscal year 2023 the percentage billable waste from Augusta County, Staunton, and Waynesboro were 54%, 48%, and 66%, respectively. The overall percentage billable waste for the landfill was 56% for fiscal year 2023 which represents an increase from 52% billable waste during fiscal year 2022. A higher percentage of billable waste at the locality level causes that owner locality to gain financial interest in the Landfill.

## Financial Summary (continued)

- Overall, operating activities provided approximately \$1,317,000 of cash in fiscal year 2023 which is an increase of approximately \$298,000 in comparison to fiscal year 2022. Net capital and related financing activities used approximately \$962,000 of cash in fiscal year 2023, an approximate \$504,000 increase in comparison to fiscal year 2022. This increase was mainly due to a decrease in capital contributions of \$450,000 in fiscal year 2023. Investing activities provided approximately \$323,000 of cash in fiscal year 2023, an increase of approximately \$295,000 in comparison to fiscal year 2022, due to higher interest rates for cash deposits. Cash and cash equivalents for fiscal year 2023 increased approximately \$556,000, mainly attributed to an increase in cash provided by operating activities and an increase in cash provided by investing activities.

Tipping fees for solid waste brought to the landfill from commercial and industrial customers increased approximately \$434,000 but were insufficient for fiscal year 2023 to cover operating expenses including the non-cash expenses of landfill closure and post-closure and landfill depreciation and amortization. Other income decreased 5.4% and interest earned increased by 1,030.5%. The decrease in other income is due to lower scrap metal prices while the increase in interest earned is due to higher interest rates for cash deposits.

## Capital Assets

Phases 1 - 3 of Permit #585 landfill are 91.0% full as of June 30, 2023. Phase 4 of Permit #585 was 76.0% full as of June 30, 2023. The Phase 4 cell, which was permitted for use in fiscal year 2010 and can operate concurrently with the final usage of Phases 1 - 3, was utilized in 2018. The opening of Phase 4 provided an additional 17.2 acres for solid waste disposal. Some residual capacity will remain until the Phase 7 overlay is completed.

In fiscal year 2023 capital expenditures were \$1,480,518, an increase of approximately \$461,000 from fiscal year 2022. Phase 1 & 3 partial closure costs and the construction of Phase 5 were responsible for the majority of the expenditures.

In fiscal year 2022 capital expenditures were \$1,019,205, a decrease of approximately \$25,000 from fiscal year 2021. The purchase of a bulldozer, excavator and a posi-shell applicator were responsible for the majority of the expenditures.

## Capital Assets (continued)

Below is a summary comparison of Capital Assets as of June 30, 2023, 2022 and 2021 with a further presentation of changes in Note 4, following the Financial Statements.

	<b>Capital Assets</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Land	\$ 2,243,101	\$ 2,243,101	\$ 2,243,101
Landfill site	13,859,844	13,859,844	13,859,844
Buildings and improvements	2,874,468	2,815,046	2,815,046
Operating equipment and software	7,334,283	7,295,264	6,945,542
Transportation equipment	267,815	267,815	267,815
Construction in progress	2,253,247	871,170	679,261
Less: Accumulated depreciation and amortization	(19,328,890)	(17,801,476)	(17,166,471)
Total Capital Assets, net	\$ 9,503,868	\$ 9,550,764	\$ 9,644,138

Each participating government has a choice on major purchases or projects to use any available funds from their portion of the Landfill's cash reserves that have accumulated from tipping fees and other Landfill-generated revenue (and held by the fiscal agent of the Landfill) or contribute additional capital.

The construction in progress is mainly comprised of the wetland stream mitigation from the Phase 4 – 7 permitting process, the landfill gas project, Phase 1 & 3 partial closure and Phase 5 design and construction costs. The wetland stream mitigation project will be removed from the construction in progress and capitalized once DEQ's success criteria have been met.

The Augusta Regional Landfill solicited private developer interest through a Request for Proposal (RFP) in 2010 after conducting greenhouse gas reduction and landfill gas beneficial use feasibility studies in 2009. The selected developer from the landfill gas RFP has withdrawn from the Augusta Regional Landfill gas project. Depressed natural gas prices and the lack of a viable end user have been the major hurdles to the project. No other developers have recently expressed interest in installing a landfill gas collection system at the Augusta Regional Landfill.

The private developer registered the Augusta Regional Landfill gas project with the Climate Action Reserve and installed two vertical wells in Phases 1-3 of Permit No. 585. At this point, Augusta Water and the owner localities believe the Landfill should self-develop the landfill gas collection and control system as part of the next partial closure. The Landfill could then find a developer to convert the collected gas into electricity as a new revenue source for the landfill.

## Net Position

The following table reflects the Landfill's condensed summary of the Statement of Net Position for the Landfill as of June 30, 2023, 2022 and 2021.

	Net Position			2023 to 2022	
	2023	2022	2021	Increase (Decrease)	% Change
Current assets	\$ 1,226,563	\$ 992,897	\$ 1,046,388	\$ 233,666	23.5%
Permit 585 closure sinking fund	11,225,712	10,926,985	10,348,891	298,727	2.7%
Capital assets, net	9,503,868	9,550,764	9,644,138	(46,896)	-0.5%
Pension asset	-	87,300	-	(87,300)	-100.0%
Total assets	21,956,143	21,557,946	21,039,417	398,197	
Deferred outflows of resources	319,251	190,292	251,101	128,959	67.8%
Total assets and deferred outflows of resources	\$ 22,275,394	\$ 21,748,238	\$ 21,290,518	\$ 925,353	2.4%
Current liabilities	\$ 5,777,158	\$ 1,149,273	\$ 1,130,780	\$ 4,627,885	402.7%
Noncurrent:					
Compensated absences	35,756	62,957	99,922	(27,201)	-43.2%
Other post-employment benefit obligation	174,824	204,254	162,791	(29,430)	-14.4%
GLI post-employment benefit obligation	41,407	39,553	55,481	1,854	4.7%
Pension obligation	4,132	-	306,024	4,132	100.0%
Due to/(from) participating localities	177,547	(209,156)	(194,601)	386,703	-184.9%
Closure/Post-closure costs	6,444,250	9,390,167	8,614,616	(2,945,917)	-31.4%
Total liabilities	12,655,074	10,637,048	10,175,013		
Deferred inflows of resources	393,715	354,567	83,164	39,148	11.0%
Total liabilities and deferred inflows of resources	\$ 13,048,789	\$ 10,991,615	\$ 10,258,177	\$ 2,057,174	18.7%
Net investment in capital assets	\$ 8,864,457	\$ 9,460,329	\$ 9,644,138	\$ (595,872)	-6.3%
Unrestricted net position	362,148	1,296,294	1,388,203	(934,146)	-72.1%
Total net position	\$ 9,226,605	\$ 10,756,623	\$ 11,032,341	\$ (1,530,018)	-14.2%

Current assets are composed of 73% cash and cash equivalents (not including the sinking fund) in fiscal year 2023 with the remaining balance in accounts receivable and prepaid assets. Current assets indicate an increase of 23.5% compared to the prior year's 5.1% decrease. Cash, excluding the sinking fund deposits, increased approximately \$257,000 while accounts receivable decreased approximately \$25,000.

The sinking fund (for the Permit # 585 landfill closure and post-closure costs) increased 2.7% in fiscal year 2023 compared to a 5.6% increase in fiscal year 2022. This fund may be drawn down by approximately \$4,570,000 in engineering fees and construction costs related to Permit 585 landfill partial closure costs in fiscal year 2024. This is displayed on the full Statement of Net Position as current liability-closure costs.

The 100.0% decrease in the pension asset was primarily the result of changes in actuarial estimates.

The 67.8% increase in the deferred outflows was primarily the result of changes in actuarial estimates.

Current liabilities increased 402.7% in fiscal year 2023 compared to a 1.6% increase in fiscal year 2022. Closure costs related to the Phase 1 & 3 partial closure and gas collection system increased approximately



## **Net Position (continued)**

\$4,170,000 and accounts payable related to operations and capital increased by approximately \$503,000.

The 43.2% decrease in noncurrent compensated absences was primarily due to employee elections to use vacation and sick leave during fiscal year 2023.

The 14.4% decrease in the other post-employment benefit obligation, 4.7% increase in GLI post-employment benefit obligations and the 100.0% increase in the pension obligation were primarily due to changes in the actuarial estimates.

The decrease of 184.9% in the “Due to/(from) participating localities” liability is an indication the localities gained financial interest in the Landfill, seen more clearly in the Supplementary Schedules that show this “liability” as a sum of each locality’s “undivided interest net position”. As previously discussed, the County of Augusta’s due to account increased, the City of Staunton’s due from account increased and the City of Waynesboro due to account decreased in fiscal year 2023.

The long-term closure and post-closure cost liabilities decreased 31.4% this year due mainly to the Phase 1 & 3 partial closure and gas collection system being moved to the current liabilities.

The 11.0% increase in the deferred inflows was primarily the result of changes in actuarial estimates.

## Revenues, Expenses and Changes in Net Position

The results of the Landfill's operations are reported in the Statement of Revenues, Expenses and Changes in Net Position. The following table presents a condensed summary of this information for the Landfill for years ended June 30, 2023, 2022 and 2021.

	Revenues, Expenses and Changes in Net Position			2023 to 2022	
	2023	2022	2021	Increase (Decrease)	% Change
Revenues					
Tipping fees	\$ 3,660,833	\$ 3,227,210	\$ 3,099,090	\$ 433,623	13.4%
Other income	241,445	255,118	120,195	(13,673)	-5.4%
Nonoperating:					
Interest earned	323,456	28,612	23,139	294,844	1030.5%
Gain on disposal of asset	-	60,000	115,000	(60,000)	-100.0%
Owner subsidies	(386,703)	14,555	104,005	(401,258)	-2756.8%
Capital contributions	-	450,000	600,000	(450,000)	-100.0%
Total revenues	<u>3,839,031</u>	<u>4,035,495</u>	<u>4,061,429</u>	<u>(196,464)</u>	-4.9%
Expenses					
Operating expenses	2,479,406	2,307,186	2,251,423	172,220	7.5%
Depreciation and amortization expense	1,527,414	1,112,579	1,036,713	414,835	37.3%
Closure/Post-closure costs	<u>1,362,229</u>	<u>891,448</u>	<u>382,986</u>	<u>470,781</u>	52.8%
Total expenses	<u>5,369,049</u>	<u>4,311,213</u>	<u>3,671,122</u>	<u>1,057,836</u>	24.5%
Change in net position	(1,530,018)	(275,718)	390,307	(1,254,300)	454.9%
Net position, beginning of year	<u>10,756,623</u>	<u>11,032,341</u>	<u>10,642,034</u>	<u>(275,718)</u>	-2.5%
Net position, end of year	<u>\$ 9,226,605</u>	<u>\$ 10,756,623</u>	<u>\$ 11,032,341</u>	<u>\$ (1,530,018)</u>	-14.2%

Tipping fee revenue increased 13.4% during fiscal year 2023 after increasing 4.1% during fiscal year 2022. Other income decreased 5.4% due to lower scrap quantities and prices in fiscal year 2023.

Operating expenses increased 7.5% in fiscal year 2023 due mainly to an increase in salaries and benefits costs of approximately \$50,000, equipment repair and maintenance cost of approximately \$44,000, ground water monitoring costs of approximately \$39,000 and fuel costs of approximately \$24,000.

During fiscal year 2023, depreciation and amortization expenses increased 37.3%, while closure/post-closure costs increased 52.8%, due mainly to the "percent full" figure which is the basis used to calculate depreciation and closure/post-closure costs. The percentage for Phases 1 – 3 increased 0.9% in 2023 compared to an increase of 1.6% in 2022. Phase 4 increased 14.0% in 2023 compared to an increase of 6.8% in 2022.

On the Statement of Revenues, Expenses and Changes in Net Position operating loss for fiscal year 2023 is approximately \$1,467,000 compared to an operating loss of \$829,000 for fiscal year 2022. This decrease is mainly due to an increase in landfill closure and post-closure costs of approximately \$471,000 and an increase of approximately \$415,000. These increases were offset by an approximately \$420,000 increase in operating revenues.

## **Revenues, Expenses and Changes in Net Position (continued)**

The Landfill's cash and investments earned 1,030.5% more interest in fiscal year 2023. This is attributable to an increase in interest rates on cash deposits.

## **Contacting Landfill Fiscal Agent**

This financial report is designed to provide the landfill governing bodies, consumers and citizens of the three participating governments, investors, and creditors with a general overview of the Landfill's finances and to demonstrate the Landfill's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the fiscal agent for the Landfill: Director of Finance, Augusta Water, 18 Government Center Lane, P.O. Box 859, Verona, Virginia 24482.



## **BASIC FINANCIAL STATEMENTS**



**AUGUSTA REGIONAL LANDFILL**

**Statements of Net Position  
June 30, 2023 and 2022**

<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>	2023	2022
Current assets:		
Cash and cash equivalents	\$ 893,328	\$ 635,841
Cash and cash equivalents - Landfill closure sinking fund deposits	11,225,712	10,926,985
Accounts receivable, net of allowance for uncollectibles	311,554	338,597
Miscellaneous receivable	2,405	-
Prepaid expenses	19,276	18,459
Total current assets	<u>12,452,275</u>	<u>11,919,882</u>
Noncurrent assets:		
Capital assets:		
Land	2,243,101	2,243,101
Landfill site	13,859,844	13,859,844
Buildings and improvements	2,874,468	2,815,046
Operating equipment and software	7,334,283	7,295,264
Transportation equipment	267,815	267,815
Construction in progress	2,253,247	871,170
	<u>28,832,758</u>	<u>27,352,240</u>
Less: Accumulated depreciation and amortization	<u>(19,328,890)</u>	<u>(17,801,476)</u>
Total capital assets, net	9,503,868	9,550,764
Pension Asset	-	87,300
Total noncurrent assets	<u>9,503,868</u>	<u>9,638,064</u>
Total assets	<u>21,956,143</u>	<u>21,557,946</u>
Deferred Outflows of Resources:		
Pension Plan	270,565	139,056
OPEB - Health care	40,325	40,936
OPEB - GLI	8,361	10,300
Total deferred outflows of resources	<u>319,251</u>	<u>190,292</u>
Total assets and deferred outflows of resources	<u>22,275,394</u>	<u>21,748,238</u>
<b><u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u></b>		
Current liabilities:		
Accounts payable-operating	108,130	208,282
Accounts payable-capital	609,235	5,657
Due to other governments	279,298	296,443
Due to other governments-capital	30,176	84,778
Compensated absences	70,881	60,075
Closure costs	4,570,000	400,000
Post-closure monitoring costs	109,438	94,038
Total current liabilities	<u>5,777,158</u>	<u>1,149,273</u>
Noncurrent liabilities:		
Compensated absences	35,756	62,957
OPEB - Health care	174,824	204,254
OPEB - GLI	41,407	39,553
Pension obligation	4,132	-
Amounts due to (from) participating localities:		
County of Augusta	154,216	(226,966)
City of Staunton	(70,549)	6,543
City of Waynesboro	93,880	11,267
Closure costs	3,108,863	6,380,986
Post-closure monitoring costs	3,335,387	3,009,181
Total noncurrent liabilities	<u>6,877,916</u>	<u>9,487,775</u>
Total liabilities	<u>12,655,074</u>	<u>10,637,048</u>
Deferred Inflows of Resources:		
Pension Plan	324,213	310,071
OPEB - Health care	60,922	28,884
OPEB - GLI	8,580	15,612
Total deferred inflows of resources	<u>393,715</u>	<u>354,567</u>
Total liabilities and deferred inflows of resources	<u>13,048,789</u>	<u>10,991,615</u>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	8,864,457	9,460,329
Unrestricted	<u>362,148</u>	<u>1,296,294</u>
Total net position	<u>\$ 9,226,605</u>	<u>\$ 10,756,623</u>

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

# AUGUSTA REGIONAL LANDFILL

## Statements of Revenues, Expenses and Changes in Net Position Years Ended June 30, 2023 and 2022

	2023	2022
<b>Operating revenues:</b>		
Tipping fees:		
County of Augusta	\$ 2,267,436	\$ 1,943,445
City of Staunton	494,925	526,374
City of Waynesboro	898,472	757,391
Other income:		
County of Augusta	121,341	129,778
City of Staunton	117,679	119,067
City of Waynesboro	2,425	6,273
Total operating revenues	<u>3,902,278</u>	<u>3,482,328</u>
<b>Operating expenses:</b>		
Daily operations	2,380,703	2,195,344
County clean-up	15,619	24,208
Leachate management	83,084	87,634
Landfill closure and post-closure costs	1,362,229	891,448
Depreciation and amortization	<u>1,527,414</u>	<u>1,112,579</u>
Total operating expenses	<u>5,369,049</u>	<u>4,311,213</u>
Operating loss	<u>(1,466,771)</u>	<u>(828,885)</u>
<b>Nonoperating revenues (expenses):</b>		
Interest	323,456	28,612
Gain on disposal of asset	-	60,000
Subsidies (to) from participating localities:		
County of Augusta	(381,182)	191,530
City of Staunton	77,092	(142,836)
City of Waynesboro	<u>(82,613)</u>	<u>(34,139)</u>
Total nonoperating revenues (expenses), net	<u>(63,247)</u>	<u>103,167</u>
<b>Capital contributions:</b>		
County of Augusta	-	26,000
City of Staunton	-	300,000
City of Waynesboro	<u>-</u>	<u>124,000</u>
Total capital contributions	<u>-</u>	<u>450,000</u>
Change in net position	(1,530,018)	(275,718)
Net position, beginning of year	<u>10,756,623</u>	<u>11,032,341</u>
Net position, end of year	<u>\$ 9,226,605</u>	<u>\$ 10,756,623</u>

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



# AUGUSTA REGIONAL LANDFILL

## Statements of Cash Flows Years Ended June 30, 2023 and 2022

	2023	2022
Operating activities:		
Receipts from customers and users	\$ 4,023,966	\$ 3,542,816
Payments to suppliers	(1,520,314)	(1,369,796)
Payments to employees	(1,216,606)	(1,153,908)
<b>Net cash provided by operating activities</b>	<u>1,287,046</u>	<u>1,019,112</u>
Capital and related financing activities:		
Acquisition and construction of capital assets	(931,542)	(967,468)
Proceeds from disposal of assets	-	60,000
Capital contributions from participating localities	-	450,000
<b>Net cash used in capital and related financing activities</b>	<u>(931,542)</u>	<u>(457,468)</u>
Non-capital and related financing activities:		
Payments to reduce post-closure liability	(122,746)	(107,370)
<b>Cash used in non-capital and related financing activities</b>	<u>(122,746)</u>	<u>(107,370)</u>
Investing activities:		
Investment income	323,456	28,612
<b>Cash provided by investing activities</b>	<u>323,456</u>	<u>28,612</u>
<b>Increase in cash and cash equivalents</b>	556,214	482,886
Cash and cash equivalents, beginning of year	11,562,826	11,079,940
Cash and cash equivalents, end of year	\$ <u>12,119,040</u>	\$ <u>11,562,826</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (1,466,771)	\$ (828,885)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Pension expense	3,755	(6,405)
OPEB expense	3,219	10,281
GLI OPEB expense	1,246	1,509
Depreciation and amortization	1,527,414	1,112,579
Landfill closure and post-closure costs	1,362,229	891,448
Changes in operating assets and liabilities:		
(Increase) decrease in accounts and misc. receivables	24,638	(23,258)
Increase in prepaid expenses	(817)	(18,459)
Decrease in accounts payable/due to other governments	(117,297)	(74,669)
Decrease in compensated absences	(16,395)	(4,067)
Decrease in pension costs	(29,690)	(37,576)
Decrease in GLI other post employment benefits	(4,485)	(3,386)
<b>Net cash provided by operating activities</b>	<u>\$ 1,287,046</u>	<u>\$ 1,019,112</u>
Significant noncash capital and financing activities:		
Capital assets purchased through accounts payable	\$ 639,411	\$ 90,435

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

## **AUGUSTA REGIONAL LANDFILL**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **NOTE 1—FORMATION OF THE AUGUSTA REGIONAL LANDFILL:**

The Augusta Regional Landfill (Landfill) is a hybrid undivided interest and joint venture contractually formed by the City of Staunton, Virginia (Staunton), the County of Augusta, Virginia (Augusta) and the City of Waynesboro, Virginia (Waynesboro), pursuant to an agreement dated December 11, 1970, as amended on September 21, 1999 to include Waynesboro. The Landfill is formed to develop regional garbage and refuse disposal, including development of systems and facilities for recycling, waste reduction and disposal alternatives with the ultimate goal of acquiring, financing, constructing, and/or operating and maintaining regional solid waste disposal areas, systems and facilities. The Landfill provides these services to the citizens of its participating governments.

#### **Determination of the Reporting Entity**

The Landfill's governing body is composed of the Board of Supervisors of Augusta County and the City Councils of Staunton and Waynesboro. In accordance with an agreement dated September 21, 1999, by and between Augusta, Staunton and Waynesboro, an Executive Committee has been established to manage the Landfill. The Committee is comprised of the Augusta County Administrator and the Staunton and Waynesboro City Managers, each having one vote. The Committee determines all matters of operation and maintenance, including establishment of user fees and preparation of budget requests to the governing bodies of the three jurisdictions. Augusta, Staunton and Waynesboro have contracted with Augusta Water to operate the Landfill.

On September 21, 1999 representatives from Augusta, Staunton and Waynesboro signed a new landfill operating agreement effective July 1, 2000. The real estate formerly held jointly by Augusta and Staunton, known as Landfill #2, was conveyed to a land trust established by Augusta, Staunton, and Waynesboro for the duration of the landfill operation. The initial percentage ownership of Augusta, Staunton, and Waynesboro, respectively, of the beneficial interest in the land trust real estate and associated rolling stock and equipment was: Augusta, 55%; Staunton, 25%; and Waynesboro, 20%. At the end of the first calendar year, and each subsequent year, the percentages of ownership are adjusted based on respective cumulative tonnage used by each of the localities. A buy-in fee was paid by Waynesboro to Augusta and Staunton in the amount of \$1,542,720, split 55% to Augusta and 45% to Staunton. Initially, operating costs in excess of revenues were split as follows: Augusta, 50%; Staunton, 27.75%; and Waynesboro, 22.25%. Subsequent to the first full calendar year of operations, costs in excess of revenues are shared based on the respective tonnages used by each locality for the immediately preceding calendar year. For the year ended June 30, 2023, daily operation and capital costs were allocated as follows: Augusta, 56.06%; Staunton, 20.18%; and Waynesboro, 23.76%. For the year ended June 30, 2022, daily operation and capital costs were allocated as follows: Augusta, 57.73%; Staunton, 20.41%; and Waynesboro, 21.86%. Twenty percent of commercial and industrial hauling revenues and tipping fees are deposited into a sinking fund account held by the Trustees of the Augusta County Landfill Land Trust to be expended on future closure related costs for the Permit #585 landfill.

The purpose of the joint landfill is to share costs between the three jurisdictions. This cost sharing is defined by a contractual agreement that the current accounting literature supports by treating this entity as a hybrid joint venture. There is an undivided interest in part of the assets and liabilities and equity interests in other resources. This reflects the complexity of the contractual agreement that recognizes two permitted areas under different terms with the three localities and a dedication of certain tipping fees to closure and post-closure monitoring costs for one of the permitted areas. Accordingly, two joint ventures retain specific noncurrent assets and liabilities for the two specific permitted areas. However, each participating government reports its share of the undivided interest assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses in its own financial statements and the landfill retains no equity in this undivided interest portion. Preparation of financial statements as discussed herein allows for inclusion of this information in the financial statements of the participating governments.

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 1—FORMATION OF THE AUGUSTA REGIONAL LANDFILL: (CONTINUED)

According to an agreement dated September 12, 1990 between Augusta and Staunton, the pro-rata share of closure of the old landfill (Permit #21) is Augusta, 60.33%; and Staunton, 39.67%. According to the agreement dated September 21, 1999, the initial pro-rata share of closure of the new landfill (Permit #585, for the first year of operation) was as follows: Augusta, 50%; Staunton, 27.75%; and Waynesboro, 22.25%. Thereafter, percentages of closure costs and post-closure monitoring costs are allocated based on tonnages of refuse deposited in the cell by each locality as adjusted for the 5% host fee allocated to Staunton and Waynesboro per Section 4-2 of the Agreement. For the year ended June 30, 2023, closure and post-closure monitoring costs were allocated as follows: Augusta, 53.10%; Staunton, 24.19%; and Waynesboro, 22.71%. For the year ended June 30, 2022, closure and post-closure monitoring costs were allocated as follows: Augusta, 52.98%; Staunton, 24.39%; and Waynesboro, 22.63%.

The financial responsibility (the post-closure monitoring and closure cost liabilities) retained by the participating governments at June 30, 2023 is as follows:

	Joint Ventures				Entity Total
	Allocations	Permit #21	Allocations	Permit #585	
County of Augusta	60.33%	\$ 825,302	53.10%	\$ 5,180,281	\$ 6,005,583
Cities of:					
Staunton	39.67%	542,677	24.19%	2,359,906	2,902,583
Waynesboro	0.00%	-	22.71%	2,215,522	2,215,522
Total		\$ <u>1,367,979</u>		\$ <u>9,755,709</u>	\$ <u>11,123,688</u>

The financial responsibility (the post-closure monitoring and closure cost liabilities) retained by the participating governments at June 30, 2022 is as follows:

	Joint Ventures				Entity Total
	Allocations	Permit #21	Allocations	Permit #585	
County of Augusta	60.33%	\$ 765,897	52.98%	\$ 4,564,064	\$ 5,329,961
Cities of:					
Staunton	39.67%	503,615	24.39%	2,101,124	2,604,739
Waynesboro	0.00%	-	22.63%	1,949,505	1,949,505
Total		\$ <u>1,269,512</u>		\$ <u>8,614,693</u>	\$ <u>9,884,205</u>

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 1—FORMATION OF THE AUGUSTA REGIONAL LANDFILL: (CONTINUED)**

The same contractual agreement allocations for net position attributed to each of the joint ventures and the specific “Amounts due to participating localities” from their undivided interests can also be used to determine the financial interests retained by the participating governments for the current and prior years:

As of June 30, 2023:

	Undivided Interests	Joint Ventures				Entity Total
		Allocations	Permit #21	Allocations	Permit #585	
County of Augusta	\$ 154,216	60.33%	\$ (801,022)	53.10%	\$ 5,604,354	\$ 4,957,548
Cities of:						
Staunton	(70,549)	39.67%	(526,712)	24.19%	2,553,095	1,955,834
Waynesboro	93,880	0.00%	-	22.71%	2,396,890	2,490,770
Total	<u>\$ 177,547</u>		<u>\$ (1,327,734)</u>		<u>\$ 10,554,339</u>	<u>\$ 9,404,152</u>

As of June 30, 2022:

	Undivided Interests	Joint Ventures				Entity Total
		Allocations	Permit #21	Allocations	Permit #585	
County of Augusta	\$ (226,966)	60.33%	\$ (741,617)	52.98%	\$ 6,350,125	\$ 5,381,542
Cities of:						
Staunton	6,543	39.67%	(487,650)	24.39%	2,923,359	2,442,252
Waynesboro	11,267	0.00%	-	22.63%	2,712,406	2,723,673
Total	<u>\$ (209,156)</u>		<u>\$ (1,229,267)</u>		<u>\$ 11,985,890</u>	<u>\$ 10,547,467</u>

#### **NOTE 2—SIGNIFICANT ACCOUNTING POLICIES:**

##### **A. Basic Financial Statements**

Since the Landfill is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Landfill, the basic financial statements and required supplementary information consist of:

- Management’s discussion and analysis
- Enterprise fund financial statements
  - Statements of Net Position
  - Statements of Revenues, Expenses and Changes in Net Position
  - Statements of Cash Flows
  - Notes to Financial Statements
  - Required Supplementary Schedules

The Augusta Regional Landfill operates as an enterprise activity and its financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Landfill accrues revenue for services rendered

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 2—SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

but not yet billed at the end of the fiscal year. The Landfill follows all applicable GASB pronouncements.

The Landfill distinguishes 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 the Landfill's principal ongoing operations. The principal operating revenues of the Landfill are charges to customers for tipping fees. The Landfill also recognizes as operating revenue any movement of funds into or out of the participating jurisdiction's cash reserves for operating, closure, and post-closure expenses. Operating expenses include the cost of services, administrative expenses, closure and post-closure expenses, and depreciation and amortization on capital assets. Non-exchange transactions, in which the Landfill gives (or receives) value without directly receiving (or giving) equal value in exchange, include capital contributions, capital grants and donations. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

#### **B. Cash and Cash Equivalents**

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

#### **C. Investments**

Investments are stated at fair market value. Investments in the Local Government Investment Pool (LGIP) are stated at amortized cost and are reported in the accompanying financial statements as cash equivalents since their average maturity may not exceed 90 days.

#### **D. Allowance for Doubtful Accounts**

The Landfill bills its customers monthly for substantially all of its services. An allowance for doubtful accounts on outstanding receivables has been estimated based on each participating jurisdiction's collection history and an estimate of uncollectible accounts.

#### **E. Capital Assets**

Capital assets are defined by the Landfill as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition value on the date donated. Depreciation and amortization are computed using the straight-line method over the assets' estimated useful lives as follows:

Buildings and improvements	15 years
Transportation equipment	5 years
Operating equipment	5 years
Software	5 years

Depreciation of landfill cell development and site costs is recorded based on remaining units of capacity. There were no impaired assets at year end.

NOTES TO THE FINANCIAL STATEMENTS

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**F. Closure and Post-Closure Obligations**

The Landfill records all estimated closure costs for existing cells as a liability. Upon closure the Landfill is then responsible, under Federal regulations, for monitoring the closed cell for a period of thirty years.

**G. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The Landfill currently has several items that qualify for reporting in this category. See Notes 9, 10 and 11 for details regarding these items.

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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Landfill currently has several items that qualify for reporting in this category. See Notes 9, 10 and 11 for details regarding these items.

**H. Other Post-Employment Benefits-Health Care**

The Health Care Plan is a single-employer plan. Differences between expected and actual experience and actuarial assumptions are amortized over the average of the expected remaining service lives of all employees covered through this plan, which is 6.49 years. Plan amendments are recognized immediately.

**I. Group Life Insurance Program**

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**J. Pensions**

For purposes of measuring the net pension asset or liability, deferred outflows of resources

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 2—SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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

#### **K. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **L. SUBSEQUENT EVENT**

The Landfill has evaluated subsequent events through November 15, 2023 which was the date the financial statements were available to be issued.

#### **NOTE 3—DEPOSITS AND INVESTMENTS:**

##### **Deposits**

All cash of the Landfill is maintained in accounts covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool), Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% to 130% of excess deposits to a collateral pool in the name of the State Treasury Board or, if they opt out of the collateral pool, collateralize from 105% to 130% of the excess in an escrow account held by the State Treasury Board in accordance with Section 2.2-4404. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments.

##### **Custodial Credit Risk (Deposits)**

This is the risk that in the event of a bank failure, the Landfill's deposits may not be returned to it. The 2015 Management Agreement states "Augusta Water shall be the fiscal agent for the Owners, managing both deposit and investment accounts of the Owners relating to the landfills." Augusta Water's investment policy requires all deposits to be insured under FDIC or comply with the Virginia Security for Public Deposits Act. At June 30, 2023 none of the Landfill's deposits, held by Augusta Water in the name of the Augusta Regional Landfill, are exposed to custodial credit risk.

##### **Investments**

Augusta Water, acting under the 2015 Management Agreement as the Landfill's fiscal agent, has issued an investment policy consistent with state statutes that authorize the Landfill to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)**

of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. Investments in the LGIP are stated at amortized cost and classified as cash and cash equivalents. The Landfill's \$7,276,174 of investments are held in the LGIP with a rating of AAAM, using the Standard & Poor's rating scale, and are reflected on the accompanying financial statements as cash equivalents. The maturity of the LGIP is less than one year.

#### **Custodial Credit Risk (Investments)**

The 2015 Management Agreement states "Augusta Water shall be the fiscal agent for the Owners, managing both deposit and investment accounts of the Owners relating to the landfills." Therefore, the securities purchased for the Landfill are to be held by Augusta Water in the name of the Augusta Regional Landfill. At June 30, 2023 all of the Landfill's investments were held in accordance with this agreement.

#### **Credit Risk of Debt Securities**

Augusta Water's investment policy for credit risk is consistent with the investments allowed by state statute as detailed above.

#### **Concentration of Credit Risk**

The Landfill's investment policy limits the investment in bankers' acceptances to 40% of total funds available for investment. Not more than 35% of the Landfill's total investments may be commercial paper and not more than 5% in the obligations of any one issuer in commercial paper. At June 30, 2023 all of the Landfill's investments were held in accordance with this policy.

#### **Interest Rate Risk**

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses arising from increasing interest rates and to comply with the laws of the Commonwealth, the Landfill's policy limits the investment of funds to investments with a stated maturity of no more than five years from the date of purchase. Interest rate risk does not apply to LGIP since it is an external investment pool classified in accordance with GASB Statement No. 79.

	Fair Value	Less Than 1 Year
LGIP	\$ 7,276,174	\$ 7,276,174
Certificates of deposit	3,949,538	3,949,538

The Landfill categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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

- Certificates of deposit in the amount of \$3,949,538 are valued using quoted market prices (Level 1 inputs).



# AUGUSTA REGIONAL LANDFILL

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4—CAPITAL ASSETS AND DEPRECIATION AND AMORTIZATION:

The Permit #21 landfill site is considered to be substantially utilized and amortized for accounting purposes, and, therefore, the reported book value of the landfill site is \$0.00 at June 30, 2023 and 2022. The Permit #585 landfill site began accepting waste during the fiscal year ended June 30, 1999.

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

	Balance July 1, 2022	Increases	Decreases/ Transfers	Balance June 30, 2023
<b>Joint Venture for Permit #585</b>				
Capital assets not being depreciated / amortized:				
Land	\$ 2,202,856	\$ -	\$ -	\$ 2,202,856
Construction in progress	871,170	1,480,518	(98,441)	2,253,247
Total capital assets not being depreciated / amortized	3,074,026	1,480,518	(98,441)	4,456,103
Capital assets being depreciated and amortized:				
Landfill site	13,859,844	-	-	13,859,844
Buildings and improvements	2,815,046	-	59,422	2,874,468
Operating equipment and software	7,295,264	-	39,019	7,334,283
Transportation equipment	267,815	-	-	267,815
Total capital assets being depreciated/amortized	24,237,969	-	98,441	24,336,410
Less accumulated depreciation and amortization for:				
Landfill site	(10,435,707)	(770,259)	-	(11,205,966)
Buildings and improvements	(2,228,021)	(139,504)	-	(2,367,525)
Operating equipment and software	(4,923,380)	(604,290)	-	(5,527,670)
Transportation equipment	(214,368)	(13,361)	-	(227,729)
Total accumulated depreciation and amortization	(17,801,476)	(1,527,414)	-	(19,328,890)
Total capital assets being depreciated and amortized, net	6,436,493	(1,527,414)	98,441	5,007,520
Total capital assets, net	\$ 9,510,519	\$ (46,896)	\$ -	\$ 9,463,623
<b>Joint Venture for Permit #21</b>				
Capital assets not being depreciated:				
Land	\$ 40,245	\$ -	\$ -	\$ 40,245
<b>Grand Total for both Joint Ventures</b>				
Total capital assets, net	\$ 9,550,764	\$ (46,896)	\$ -	\$ 9,503,868

# AUGUSTA REGIONAL LANDFILL

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4—CAPITAL ASSETS AND DEPRECIATION AND AMORTIZATION: (CONTINUED)

	Balance July 1, 2021	Increases	Decreases/ Transfers	Balance June 30, 2022
<b>Joint Venture for Permit #585</b>				
Capital assets not being depreciated / amortized:				
Land	\$ 2,202,856	\$ -	\$ -	\$ 2,202,856
Construction in progress	679,261	191,909	-	871,170
Total capital assets not being depreciated / amortized	2,882,117	191,909	-	3,074,026
Capital assets being depreciated and amortized:				
Landfill site	13,859,844	-	-	13,859,844
Buildings and improvements	2,815,046	-	-	2,815,046
Operating equipment and software	6,945,542	827,296	(477,574)	7,295,264
Transportation equipment	267,815	-	-	267,815
Total capital assets being depreciated/amortized	23,888,247	827,296	(477,574)	24,237,969
Less accumulated depreciation and amortization for:				
Landfill site	(9,951,245)	(484,462)	-	(10,435,707)
Buildings and improvements	(2,067,025)	(160,996)	-	(2,228,021)
Operating equipment and software	(4,947,195)	(453,759)	477,574	(4,923,380)
Transportation equipment	(201,006)	(13,362)	-	(214,368)
Total accumulated depreciation and amortization	(17,166,471)	(1,112,579)	477,574	(17,801,476)
Total capital assets being depreciated and amortized, net	6,721,776	(285,283)	-	6,436,493
Total capital assets, net	\$ 9,603,893	\$ (93,374)	\$ -	\$ 9,510,519
<b>Joint Venture for Permit #21</b>				
Capital assets not being depreciated:				
Land	\$ 40,245	\$ -	\$ -	\$ 40,245
<b>Grand Total for both Joint Ventures</b>				
Total capital assets, net	\$ 9,644,138	\$ (93,374)	\$ -	\$ 9,550,764

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 5—DUE TO OTHER GOVERNMENTS:**

The details of the Due to Other Government accounts are as follows as of June 30, 2023 and 2022:

<b>Due to other governments-current liability:</b>	<b>2023</b>	<b>2022</b>
Due to Augusta Water for vendor payments made on the Landfill's behalf	\$ 270,702	\$ 306,470
Due to Augusta Water for accrued payroll	38,772	74,751
	<u>\$ 309,474</u>	<u>\$ 381,221</u>

Employees at the Landfill site are Augusta Water employees under preceding informal arrangements and the current Operating Management Agreement signed in December 2015 between the Augusta Water and the participating localities. Therefore, Augusta Water covers personnel-related accruals such as those described below and direct Landfill expenses are passed on to the participating owners as recognized.

#### **Compensated Absences**

Landfill employees earn vacation and sick leave each month at a scheduled rate in accordance with the years of service. Accumulated unpaid vacation and other compensatory leave amounts are accrued when incurred. Sick leave vests at twenty-five percent of the value with a cap of 1,040 hours. The vested amount is recorded as a liability in the financial statements. At June 30, 2023 and 2022 liabilities attributed to the full-time Landfill on-site employees were \$106,637 and \$123,032, respectively.

#### **NOTE 6—CLOSURE AND POST-CLOSURE CARE COSTS:**

State and federal laws and regulations require the Landfill to place a final cover or cap on a landfill cell when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Landfill reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each fiscal year ending date.

The \$7,678,863 reported as landfill closure liability at June 30, 2023 represents the cumulative amount reported to date based on the use of 91.0% of the estimated capacity of the Permit #585 (Phases 1-3) landfill, 76.0% of the estimated capacity of the Permit #585 Phase 4 landfill and the stockpile financial assurance liability. The \$3,444,825 reported as post-closure monitoring liability at June 30, 2023, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Permit #21 landfill, 91.0% of the estimated capacity of the Permit #585 (Phases 1-3) landfill and 76.0% of the estimated capacity of the Permit #585 Phase 4 landfill. Total closure and post-closure care costs and post-closure monitoring costs accrued at June 30, 2023 for both joint ventures are \$11,123,688. The Landfill will recognize the majority of the remaining estimated cost of closure and post-closure care and post-closure monitoring of \$571,229 for the Permit #585 (Phases 1-3) landfill as the remaining estimated capacity is filled over the next 18 to 24 months and \$894,757 for the newly opened Phase 4 cell as is filled in the next 2 to 5 years. The amount for the Permit #21 landfill is based on what it would have cost to perform all post-closure care in 2004 and has been inflated annually at the DEQ-approved inflation rate. The amounts for the Permit #585 landfill were re-evaluated in March 2008 based on what it would cost to perform all closure and post-closure care in 2008 and approved by the Virginia Department of Environmental Quality as part of a permit to expand the landfill beyond the first three phases. These costs have been inflated at the DEQ-approved inflation rate since 2009. Actual costs for both permitted landfills may be different due to actual inflation or deflation, changes in technology, or changes in laws or

# AUGUSTA REGIONAL LANDFILL

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6—CLOSURE AND POST-CLOSURE CARE COSTS: (CONTINUED)

regulations.

Each participating locality is required to submit to the Virginia Department of Environmental Quality by December 30 of each year financial assurance they can meet their allocated financial responsibility for the Augusta Regional Landfill (see Note 1). Each locality met this requirement for calendar year 2022.

The following is a summary of closure and post-closure transactions for the current and prior year:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due within one year</u>
<b>Landfill closure costs:</b>					
Permit #585 Landfill joint venture	\$ 6,780,986	\$ 897,946	\$ (69)	\$ 7,678,863	\$ 4,570,000
<b>Post-closure monitoring costs:</b>					
Permit #585 Landfill joint venture	1,833,707	243,139	-	2,076,846	-
Permit #21 Landfill joint venture	1,269,512	221,144	(122,677)	1,367,979	109,438
Total Post-closure monitoring costs	<u>3,103,219</u>	<u>464,283</u>	<u>(122,677)</u>	<u>3,444,825</u>	<u>109,438</u>
Total Long-Term Liabilities (partial)	<u>\$ 9,884,205</u>	<u>\$ 1,362,229</u>	<u>\$ (122,746)</u>	<u>\$ 11,123,688</u>	<u>\$ 4,679,438</u>
	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Retirements</u>	<u>Balance June 30, 2022</u>	
<b>Landfill closure costs:</b>					
Permit #585 Landfill joint venture	\$ 6,178,534	\$ 602,452	\$ -	\$ 6,780,986	
<b>Post-closure monitoring costs:</b>					
Permit #585 Landfill joint venture	1,681,687	152,020	-	1,833,707	
Permit #21 Landfill joint venture	1,239,906	136,976	(107,370)	1,269,512	
Total Post-closure monitoring costs	<u>2,921,593</u>	<u>288,996</u>	<u>(107,370)</u>	<u>3,103,219</u>	
Total Long-Term Liabilities (partial)	<u>\$ 9,100,127</u>	<u>\$ 891,448</u>	<u>\$ (107,370)</u>	<u>\$ 9,884,205</u>	

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 7—RISK MANAGEMENT:**

The Landfill is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Landfill carries commercial insurance for these risks of loss including general liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### **NOTE 8—COMMITMENTS AND CONTINGENCIES:**

The Landfill is obligated under professional and equipment contracts at year-end, as follows:

<b>Project</b>	<b>Spent- to-date</b>	<b>Remaining Commitment</b>
Phase 5 Construction	\$ 1,167,908	\$ 5,809,444
Phase 1 & # Partial Closure and Gas Collection System	50,514	4,234,113
	<u>\$ 1,218,422</u>	<u>\$ 10,043,557</u>

#### **Note 9—Other Postemployment Benefits-Health Care:**

The Landfill participates in a defined benefit single-employer health plan and Landfill employees are eligible for a limited amount of post-employment health and dental benefits as defined in the Augusta Water's Board-approved Personnel Policy Manual. An actuarial study was conducted in fiscal year 2021 and, based on a percentage of full-time employees, the Landfill has been allocated an obligation for on-site Landfill employees.

GASB Statement 75 addressed how local governments should account for and report their costs related to post-employment health care and other non-pension benefits. Historically, the Landfill funded any retiree health benefit subsidies on a pay-as-you-go basis but GASB Statement 75 required the Landfill accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees' active employment, while the benefits are earned, and record the unfunded actuarial accrued liability in order to account for the total future cost of post-employment benefits. This funding methodology mirrors the funding approach used for pension benefits.

#### **A. Plan Description**

Augusta Water administers a single-employer defined benefit healthcare plan that provides healthcare insurance for eligible retirees and their dependents through the Landfill's group health insurance plan, which covers both active and retired members. Retirees who have five or more years of service with the Landfill and are age 55 or older with full or reduced retirement benefits from the VRS Retirement System are eligible to remain in the healthcare plan at the blended premium rate with a \$2,500 per year maximum subsidy (paid by the Landfill) until they are eligible for Medicare or unsubsidized when Medicare is available. Retirees and terminated employees can also elect COBRA coverage for up to eighteen months if previously enrolled in Augusta Water's health or dental insurance plans.

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **Note 9—Other Postemployment Benefits-Health Care: (Continued)**

Eligible employees must elect coverage immediately upon retirement. Employees who terminate prior to retirement eligibility are not eligible for the health insurance. Dependents, including surviving spouses, are permitted access to medical coverage also. As of the end of the current fiscal year, there were no employees who participated in the Landfill's group insurance plan.

The plan does not issue a publicly available financial report. The contribution requirements of plan members are established and may be amended by the Augusta Water's Board of Directors.

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms:

	Number
Active members	107
Inactive members or beneficiaries currently receiving benefits	<u>4</u>
Total covered employees	<u>111</u>

#### **B. Total OPEB Liability (TOL)**

The Landfill's OPEB liability was measured as of June 30, 2023, and the total OPEB Liability was determined by an actuarial valuation as of July 1, 2022.

#### **Actuarial Assumptions**

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50%
Discount rate*	3.69%
Healthcare trend costs	5.75% for fiscal year 2023, decreasing 0.25% per year to an ultimate rate of 5.00%
Mortality Rates	RP-2014 Fully Generational Mortality Table, with base year 2006, using two-dimensional improvement scale MP-2021.

\*Discount rates used to measure TOL were based on the Municipal GO AA 20-year yield curve as of the measurement date.

**AUGUSTA REGIONAL LANDFILL**

**NOTES TO THE FINANCIAL STATEMENTS**

**Note 9—Other Postemployment Benefits-Health Care: (Continued)**

**C. Changes in the Total OPEB Liability**

	Total OPEB Health Care Liability
Balance at June 30, 2022	\$ <u>204,254</u>
Changes for the Year:	
Service cost	9,679
Interest	2,747
Differences between expected and actual experience	8,764
Changes in assumptions	<u>(50,620)</u>
Net changes	<u>(29,430)</u>
Balance at June 30, 2023	\$ <u><u>174,824</u></u>

**Sensitivity of the total OPEB liability to changes in the discount rate.**

The following presents the Landfill's Total OPEB Liability, calculated using the discount rate of 3.69%. It also presents what the Landfill's Total OPEB Liability would be if it were calculated using a discount rate one percentage point lower (2.69%) and one percentage point higher (4.69%) than the current rate.

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	\$ 193,040	\$ 174,824	\$ 159,138

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

The following presents the Landfill's Total OPEB Liability, calculated using the current healthcare trend rate of 5.75%. It also presents what the Landfill's Total OPEB Liability would be if it were calculated using healthcare trend rate one percentage point lower (4.75%) and one percentage point higher (6.75%) than the current rate.

	1% Decrease (4.75%)	Current Trend Rate (5.75%)	1% Increase (6.75%)
Total OPEB Liability	\$ 157,620	\$ 174,824	\$ 194,558

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **Note 9—Other Postemployment Benefits-Health Care: (Continued)**

##### **D. OPEB Expense and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2023, the Landfill recognized OPEB-Health Care expense of \$3,219. At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the OPEB-Health Care from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	\$ 24,563	\$ 14,914
Changes of assumptions	<u>15,762</u>	<u>46,008</u>
Total	<u>\$ 40,325</u>	<u>\$ 60,922</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB Health Care will be recognized in the OPEB-Health Care expense in future reporting periods as follows:

##### Year Ended June 30

2024	\$ (9,207)
2025	(8,374)
2026	(3,958)
2027	(1,929)
2028	<u>2,871</u>
	<u>\$ (20,597)</u>

The OPEB Health Care plan issues a stand-alone report that can be obtained by writing the Director of Finance of Augusta Water at P.O. Box 859, Verona, VA 24482 or by email at [finance@augustawater.com](mailto:finance@augustawater.com).

#### **Note 10—Group Life Insurance Program:**

##### **A. Plan Description**

All full-time, salaried permanent employees of the Landfill are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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



## NOTES TO THE FINANCIAL STATEMENTS

**Note 10—Group Life Insurance Program: (Continued)**

The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b>Eligible Employees</b></p> <p>The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.</p> <p>Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</p>
<p><b>Benefit Amounts</b></p> <p>The benefits payable under the GLI have several components.</p> <ul style="list-style-type: none"> <li>• Natural Death Benefit – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled.</li> <li>• Accidental Death Benefit – The accidental death benefit is double the natural death benefit.</li> <li>• Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> <li>○ Accidental dismemberment benefit</li> <li>○ Seat belt benefit</li> <li>○ Repatriation benefit</li> <li>○ Felonious assault benefit</li> <li>○ Accelerated death benefit option</li> </ul> </li> </ul>
<p><b>Reduction in Benefit Amounts</b></p> <p>The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p><b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b></p> <p>For covered members with at least 30 years of service credit, there is a minimum benefit payable under the GLI program. The minimum benefit was set at \$8,000 by statute in 2015. This amount will be increased annually based on the VRS Plan 2 COLA calculation. The minimum benefit adjusted for COLA was \$8,984 as of June 30, 2023.</p>

**B. Contributions**

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer’s contractually required employer contribution rate for the year ended June 30, 2023 was .54% of covered employee compensation. This rate was based on an

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **Note 10—Group Life Insurance Program: (Continued)**

actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the Landfill were \$3,601 and \$3,377 for the years ended June 30, 2023 and June 30, 2022, respectively.

#### **C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB**

At June 30, 2023, the Landfill reported a liability of \$41,407 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was \$41,407 or 0.0000344% as compared to \$39,553 or 0.0000340% at June 30, 2021.

For the year ended June 30, 2023, the Landfill recognized GLI OPEB expense of \$1,246. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,039	\$ 1,539
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,398
Changes of assumptions	1,431	3,738
Changes in proportion	290	905
Employer contributions subsequent to the measurement date	3,601	-
Total	<u>\$ 8,361</u>	<u>\$ 8,580</u>

The information above is derived from the actuarial valuation report for Augusta Water. No separate data on funding progress is available solely for the Landfill. The Landfill has recorded a net GLI OPEB liability of \$41,407 on its Statements of Net Position based on a percentage of creditable compensation to the plan for fiscal years 2014-2022. The Landfill's percentage of creditable compensation to the plan was 11.58 percent. This percentage was used to allocate a portion of the net GLI OPEB liability to the Landfill.

The \$3,601 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **Note 10—Group Life Insurance Program: (Continued)**

expense in future reporting periods as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (765)
2025	(765)
2026	(765)
2027	(765)
2028	(760)
	<u>\$ (3,820)</u>

#### **D. Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement, rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
Locality – general employees	3.5%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

#### **Mortality Rates – Largest 10 Locality Employers - General Employees**

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

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

Post-Disablement: Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

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

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

# AUGUSTA REGIONAL LANDFILL

## NOTES TO THE FINANCIAL STATEMENTS

### Note 10—Group Life Insurance Program: (Continued)

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

#### **E. Net GLI OPEB Liability**

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

	GLI OPEB Program
Total GLI OPEB Liability	\$ 3,672,085
Plan fiduciary net position	<u>2,467,989</u>
<b>Employers' net GLI OPEB liability</b>	<b>\$ <u>1,204,096</u></b>
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### Note 10—Group Life Insurance Program: (Continued)

##### **F. Long-Term Expected Rate of Return**

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

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

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

\*\*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 7.11%, including expected inflation of 2.50%.

##### **G. Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by the Landfill for the VRS GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **Note 10—Group Life Insurance Program: (Continued)**

GLI OPEB liability.

#### **H. Sensitivity of the Landfill's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Landfill's proportionate share of the GLI net OPEB liability	\$ 60,252	\$ 41,407	\$ 26,178

#### **I. Group Life Insurance Program Fiduciary Net Position**

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

#### **Note 11—Pension Plan:**

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent Multiple-Employer Pension Plan

Administering Entity: Virginia Retirement System (System)

#### **A. Plan Description**

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

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 11 – PENSION PLAN: (CONTINUED):**

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

#### **B. Employees Covered by Benefit Terms (All Augusta Water employees including the Landfill)**

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Retirees and Beneficiaries	71
Inactive Vested Members	14
Inactive Nonvested Members	27
Long Term Disability	0
Active Elsewhere in VRS	17
Total Inactive Members	<u>129</u>
Active Members	<u>107</u>
Total Covered Employees	<u><u>236</u></u>

The totals above are reflective of both Landfill and Augusta Water employees. Separate data is not available for each entity.

#### **C. Contributions**

The contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Landfill's contractually required contribution rate for the year ended June 30, 2023 was 5.45% for Plan 1, Plan 2 and the Hybrid Plan of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB statement no. 68, less that employer's fiduciary net position. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Landfill were \$29,691 and \$37,576 for the years ended June 30, 2023 and 2022, respectively.

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 11 – PENSION PLAN: (CONTINUED):

##### **D. Net Pension Liability**

The Landfill's net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

##### **E. Actuarial Assumptions**

The total pension liability for the Landfill's retirement plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

##### Mortality Rates:

– Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
– Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
– Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
– Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.



## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 11 – PENSION PLAN: (CONTINUED):**

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

#### **F. Long-Term Expected Rate of Return**

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

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

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

\* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions.

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

### G. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the Employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension asset/liability.

# AUGUSTA REGIONAL LANDFILL

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 11 – PENSION PLAN: (CONTINUED):

#### H. Changes in the Net Pension (Asset)/Liability

	Total Liability	Plan Net Position	Net Pension (Asset)/Liability
Balance at June 30, 2021	\$ 2,625,368	\$ 2,712,668	\$ (87,300)
Changes for the Year:			
Service cost	55,117	-	55,117
Interest	171,318	-	171,318
Difference between expected and actual experience	(71,588)	-	(71,588)
Contributions – employer	-	37,576	(37,576)
Contributions – employee	-	30,269	(30,269)
Net investment income	-	(2,851)	2,851
Benefit payments, including refunds of employee contributions	(111,400)	(111,400)	-
Administrative expense	-	(1,640)	1,640
Other changes	-	61	(61)
Net changes	43,447	(47,985)	91,432
Balance at June 30, 2022	\$ 2,668,815	\$ 2,664,683	\$ 4,132

#### I. Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate

The following presents the net pension (asset)/liability of the Landfill, using the discount rate of 6.75%, as well as what the Landfill's net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Plan's net pension (asset)/liability	\$345,354	\$4,132	\$(299,222)

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 11 – PENSION PLAN: (CONTINUED):**

##### **J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2023, the Landfill recognized pension expense of \$3,755. The Landfill also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual earnings on plan investments	\$ 185,973	\$ 263,942
Differences between expected and actual experience	-	60,271
Changes of assumptions	54,901	-
Employer contributions subsequent to the measurement date	<u>29,691</u>	<u>-</u>
Total	<u>\$ 270,565</u>	<u>\$ 324,213</u>

The \$29,691 reported as deferred outflows of resources related to pensions resulting from the Landfill's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2024	\$ (19,445)
2025	(39,078)
2026	(60,702)
2027	35,886
	<u>\$ (83,339)</u>

##### **K. Pension Plan Data**

Additional financial information supporting the preparation of the VRS Political Subdivision Plan Schedules (including the financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2022 *Comprehensive Annual Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2022-annual-report.pdf](http://varetire.org/pdf/publications/2022-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

## AUGUSTA REGIONAL LANDFILL

### NOTES TO THE FINANCIAL STATEMENTS

#### **NOTE 12—PENDING GASB STATEMENTS:**

At June 30, 2023, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Landfill. The statements which might impact the Landfill are as follows:

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The portion of Statement No. 99 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The portion of the Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 will be effective for fiscal years beginning after December 15, 2023.

Management has not determined the effects these new Statements may have on prospective financial statements.

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## **REQUIRED SUPPLEMENTARY SCHEDULES**

# AUGUSTA REGIONAL LANDFILL

## SCHEDULE OF CHANGES IN THE LANDFILL'S OPEB HEALTH CARE LIABILITY AND RELATED RATIOS

	2018	2019	Fiscal Year June 30,		2022	2023
			2020	2021		
Total OPEB Health Care liability:						
Service cost	\$ 9,643	\$ 8,864	\$ 7,189	\$ 7,062	\$ 8,371	\$ 9,679
Interest	6,077	5,555	4,919	3,593	3,008	2,747
Changes of benefit terms	-	(14,486)	-	-	-	-
Differences between expected and actual experience	-	(11,464)	(28,378)	9,664	17,266	8,764
Changes in assumptions	-	(19,973)	5,170	7,805	12,818	(50,620)
Benefit payments	(1,899)	1,700	(290)	-	-	-
<b>Net change in total OPEB liability</b>	<b>13,821</b>	<b>(29,804)</b>	<b>(11,390)</b>	<b>28,124</b>	<b>41,463</b>	<b>(29,430)</b>
Total OPEB Health Care liability - beginning	162,040	175,861	146,057	134,667	162,791	204,254
Total OPEB Health Care liability - ending	<u>\$ 175,861</u>	<u>\$ 146,057</u>	<u>\$ 134,667</u>	<u>\$ 162,791</u>	<u>\$ 204,254</u>	<u>\$ 174,824</u>
Plan Fiduciary Net Position:						
Contributions - employer	\$ 1,899	\$ (1,700)	\$ 290	\$ -	\$ -	\$ -
Benefit payments, including refunds of employee	(1,899)	1,700	(290)	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>OPEB Health Care liability - ending (a) - (b)</b>	<b>\$ 175,861</b>	<b>\$ 146,057</b>	<b>\$ 134,667</b>	<b>\$ 162,791</b>	<b>\$ 204,254</b>	<b>\$ 174,824</b>
Plan fiduciary net position as a percentage of the total liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 675,559	\$ 604,475	\$ 714,608	\$ 702,141	\$ 774,990	\$ 774,990
Total OPEB liability as a percentage of covered payroll	26.03%	24.16%	18.84%	23.18%	26.36%	22.56%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Landfill will present information for those years which information is available.



AUGUSTA REGIONAL LANDFILL

SCHEDULE OF THE LANDFILL'S CONTRIBUTIONS - OPEB - HEALTH CARE

	2018	2019	Fiscal Year June 30, 2020	2021	2022	2023
Actuarially determined contributions (ADC)	\$ 8,580	\$ 11,465	\$ 4,666	\$ 17,594	\$ 31,523	\$ 22,236
Contributions in relation to the ADC	1,899	(1,700)	290	-	-	-
Contribution deficiency	<u>\$ 6,681</u>	<u>\$ 13,165</u>	<u>\$ 4,376</u>	<u>\$ 17,594</u>	<u>\$ 31,523</u>	<u>\$ 22,236</u>
Covered payroll	\$ 675,559	\$ 604,475	\$ 714,608	\$ 702,141	\$ 774,990	\$ 774,990
Contributions as a percentage of covered-employee payroll	0.28%	-0.28%	0.04%	0.00%	0.00%	0.00%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Landfill will present information for those years which information is available.

**AUGUSTA REGIONAL LANDFILL**
**SCHEDULE OF CHANGES IN THE LANDFILL'S NET PENSION (ASSET)/LIABILITY AND RELATED RATIOS - VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Total pension liability										
Service cost	\$ 56,591	\$ 54,535	\$ 54,996	\$ 55,224	\$ 53,451	\$ 56,518	\$ 61,863	\$ 61,430	\$ 55,117	
Interest	114,486	120,595	127,080	135,847	139,807	145,669	149,764	160,653	171,318	
Changes of assumptions	-	-	-	(40,199)	-	65,599	-	53,935	-	
Difference between expected and actual experience	-	788	16,486	5,349	(11,318)	(22,930)	74,797	(16,351)	(71,588)	
Benefit payments, including refunds of employee contributions	(78,052)	(72,304)	(75,643)	(81,105)	(87,895)	(90,876)	(104,453)	(133,507)	(111,400)	
<b>Net change in total pension liability</b>	<b>93,025</b>	<b>103,614</b>	<b>122,919</b>	<b>75,116</b>	<b>94,045</b>	<b>153,980</b>	<b>181,971</b>	<b>126,160</b>	<b>43,447</b>	
Total pension liability - beginning	1,674,538	1,767,563	1,871,177	1,994,096	2,069,212	2,163,257	2,317,237	2,499,208	2,625,368	
Total pension liability - ending (a)	<u>\$ 1,767,563</u>	<u>\$ 1,871,177</u>	<u>\$ 1,994,096</u>	<u>\$ 2,069,212</u>	<u>\$ 2,163,257</u>	<u>\$ 2,317,237</u>	<u>\$ 2,499,208</u>	<u>\$ 2,625,368</u>	<u>\$ 2,668,815</u>	
Plan fiduciary net position										
Contributions - employer	\$ 49,337	\$ 46,310	\$ 47,045	\$ 39,124	\$ 38,214	\$ 31,029	\$ 31,003	\$ 40,029	\$ 37,576	
Contributions - employee	28,152	28,507	29,086	30,947	30,317	30,965	31,002	31,471	30,269	
Net investment income	227,208	76,131	30,414	214,229	143,564	137,201	40,931	582,905	(2,851)	
Benefit payments, including refunds of employee contributions	(78,052)	(72,304)	(75,643)	(81,105)	(87,895)	(90,876)	(104,453)	(133,507)	(111,400)	
Administrative expense	(1,211)	(1,024)	(1,060)	(1,225)	(1,230)	(1,352)	(1,410)	(1,469)	(1,640)	
Other	12	(16)	(13)	(191)	(128)	(86)	(49)	55	61	
<b>Net change in plan fiduciary net position</b>	<b>225,446</b>	<b>77,604</b>	<b>29,829</b>	<b>201,779</b>	<b>122,842</b>	<b>106,881</b>	<b>(2,976)</b>	<b>519,484</b>	<b>(47,985)</b>	
Plan fiduciary net position - beginning	1,431,779	1,657,225	1,734,829	1,764,658	1,966,437	2,089,279	2,196,160	2,193,184	2,712,668	
Plan fiduciary net position - ending (b)	<u>\$ 1,657,225</u>	<u>\$ 1,734,829</u>	<u>\$ 1,764,658</u>	<u>\$ 1,966,437</u>	<u>\$ 2,089,279</u>	<u>\$ 2,196,160</u>	<u>\$ 2,193,184</u>	<u>\$ 2,712,668</u>	<u>\$ 2,664,683</u>	
Landfill's net pension (asset)/liability - ending (a) - (b)	<u>\$ 110,338</u>	<u>\$ 136,348</u>	<u>\$ 229,438</u>	<u>\$ 102,775</u>	<u>\$ 73,978</u>	<u>\$ 121,077</u>	<u>\$ 306,024</u>	<u>\$ (87,300)</u>	<u>\$ 4,132</u>	
Plan fiduciary net position as a percentage of the total pension liability	93.8%	92.7%	88.5%	95.0%	96.6%	94.8%	87.8%	103.3%	99.8%	
Covered payroll	\$ 553,136	\$ 572,267	\$ 607,808	\$ 627,584	\$ 621,523	\$ 637,908	\$ 640,531	\$ 649,248	\$ 625,357	
Landfill's net pension (asset)/liability as a percentage of covered payroll	19.95%	23.83%	37.75%	16.38%	11.90%	18.98%	47.78%	-13.45%	0.66%	

**Notes to Schedule:**

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Landfill will present information for those years for which information is available.
- (2) The information on this schedule is derived from the actuarial valuation report for the Augusta Water, which consolidated information for both Augusta Water and Landfill employees. Amounts have been allocated between Augusta Water and the Landfill based on the contributions for each entity.

**AUGUSTA REGIONAL LANDFILL**

**SCHEDULE OF LANDFILL CONTRIBUTIONS - VIRGINIA RETIREMENT SYSTEM**

	Fiscal Year June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	\$ 49,337	\$ 46,310	\$ 47,045	\$ 39,124	\$ 38,214	\$ 31,029	\$ 31,003	\$ 40,029	\$ 37,576	\$ 29,691
Contributions in relation to the CRC	49,337	46,310	47,045	39,124	38,214	31,029	31,003	40,029	37,576	29,691
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 553,136	\$ 572,267	\$ 607,808	\$ 627,584	\$ 621,523	\$ 637,908	\$ 640,531	\$ 649,248	\$ 625,357	\$ 666,768
Contributions as a percentage of covered payroll	8.92%	8.09%	7.74%	6.23%	6.15%	4.86%	4.84%	6.17%	6.01%	4.45%

**Notes to Schedule:**

- (1) The information on this schedule is derived from the actuarial valuation report for Augusta Water, which consolidated information for both Augusta Water and Landfill employees. Amounts have been allocated between Augusta Water and the Landfill based on the contributions for each entity.

**AUGUSTA REGIONAL LANDFILL**

**SCHEDULE OF THE LANDFILL CONTRIBUTIONS - OPEB - GROUP LIFE INSURANCE PROGRAM**

	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution (CRC)	\$ 3,280	\$ 3,232	\$ 3,317	\$ 3,331	\$ 3,506	\$ 3,377	\$ 3,601
Contributions in relation to the CRC	3,280	3,232	3,317	3,331	3,506	3,377	3,601
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 627,584	\$ 621,523	\$ 637,908	\$ 640,531	\$ 649,248	\$ 625,357	\$ 666,768
Contributions as a percentage of covered payroll	0.52%	0.52%	0.52%	0.52%	0.54%	0.54%	0.54%

**Notes to Schedule:**

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Landfill will present information for those years for which information is available.
- (2) The information on this schedule is derived from the actuarial valuation report for the Augusta Water, which consolidated information for both Augusta Water and Landfill employees. Amounts have been allocated between Augusta Water and the Landfill based on the contributions for each entity.

**AUGUSTA REGIONAL LANDFILL**

**SCHEDULE OF THE LANDFILL SHARE OF NET OPEB LIABILITY - GROUP LIFE INSURANCE PROGRAM**  
**For the Year Ended June 30, 2023**

	Fiscal Year June 30,					
	2017	2018	2019	2020	2021	2022
<b>Total Group Life Insurance OPEB Liability</b>						
Landfill's Portion of the Net GLI OPEB Liability	0.00342%	0.00344%	0.00343%	0.00332%	0.00340%	0.00344%
Landfill's Proportionate Share of the Net GLI OPEB Liability	\$ 51,540	\$ 52,239	\$ 55,755	\$ 55,481	\$ 39,553	\$ 41,407
Landfill's Covered Payroll	\$ 627,584	\$ 621,523	\$ 637,908	\$ 640,531	\$ 649,248	\$ 625,357
Landfill's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	8.21%	8.40%	8.74%	8.66%	6.09%	6.62%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	48.86%	51.22%	52.00%	52.00%	67.45%	67.21%

**Notes to Schedule:**

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Landfill will present information for those years for which information is available.
- (2) The information on this schedule is derived from the actuarial valuation report for the Augusta Water, which consolidated information for Augusta Water and Landfill employees. Amounts have been allocated between Augusta Water and the Landfill based on the contributions for each entity.

## AUGUSTA REGIONAL LANDFILL

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - VIRGINIA RETIREMENT SYSTEM Year Ended June 30, 2023

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#### **Note 1. Changes of Benefit Terms**

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

#### **Note 2. Changes of Assumptions**

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

#### **Non-Hazardous Duty**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

## AUGUSTA REGIONAL LANDFILL

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS Year Ended June 30, 2023

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#### Note 1. Health Care

##### A. Changes of Benefit Terms

There have been no actuarially material changes to the Health Care benefit provisions since the prior actuarial valuation.

##### B. Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period presented:

2022	3.69%
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#### Note 2. Group life Insurance Program

##### A. Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

##### B. Changes of Assumptions

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
DiscountRate	No change

## **SUPPLEMENTARY SCHEDULES**



**Supplementary Schedule of Revenues, Expenses and Changes in Net Position -  
Budget and Actual  
(Undivided Interest only: Excluding Non-Cash Items)  
Year Ended June 30, 2023**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance with Revised Budget- Positive (Negative)</b>
Operating revenues:				
Tipping fees:				
County of Augusta	\$ 1,847,200	\$ 1,847,200	\$ 2,267,436	\$ 420,236
City of Staunton	529,400	529,400	494,925	(34,475)
City of Waynesboro	689,100	689,100	898,472	209,372
Other income:				
County of Augusta	61,100	61,100	121,341	60,241
City of Staunton	56,700	56,700	117,679	60,979
City of Waynesboro	2,400	2,400	2,425	25
Total operating revenues	<u>3,185,900</u>	<u>3,185,900</u>	<u>3,902,278</u>	<u>716,378</u>
Operating expenses:				
Daily operations and open face leachate management:				
Salaries and Benefits	1,283,023	1,283,023	1,205,456	77,567
Contractual services	591,310	591,310	716,050	(124,740)
Utilities	117,100	117,100	105,368	11,732
Insurance & Workers' compensation	85,081	85,081	87,920	(2,839)
Materials and supplies	276,700	276,700	337,712	(61,012)
Gov't Payments & Miscellaneous	32,950	32,950	28,041	4,909
Leases and rentals	5,700	5,700	6,772	(1,072)
Total operating expense	<u>2,391,864</u>	<u>2,391,864</u>	<u>2,487,319</u>	<u>(95,455)</u>
Augusta County Spring Clean-up:				
Salaries and Benefits	6,000	6,000	6,663	(663)
Contractual services	9,000	9,000	8,956	44
Total Augusta County clean-up	<u>15,000</u>	<u>15,000</u>	<u>15,619</u>	<u>(619)</u>
Joint Venture 21:				
Landfill closure and post- closure expense	<u>-</u>	<u>-</u>	<u>122,677</u>	<u>(122,677)</u>
Joint Venture 585:				
Landfill closure and post- closure expense	<u>-</u>	<u>-</u>	<u>69</u>	<u>(69)</u>
Total operating (income) expenses	<u>2,406,864</u>	<u>2,406,864</u>	<u>2,625,684</u>	<u>(218,820)</u>
Operating income	<u>779,036</u>	<u>779,036</u>	<u>1,276,594</u>	<u>497,558</u>

**Supplementary Schedule of Revenues, Expenses and Changes in Net Position -  
Budget and Actual (continued)  
(Undivided Interest only: Excluding Non-Cash Items)  
Year Ended June 30, 2023**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget- Positive (Negative)</u>
Nonoperating revenues:				
Interest earned:				
County of Augusta	\$ -	\$ -	\$ 2,365	\$ 2,365
City of Staunton	-	-	828	828
City of Waynesboro	-	-	1,650	1,650
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>4,843</u>	<u>4,843</u>
Transfers for nonoperating expenses (capital projects):				
Joint Venture 585: Sinking fund transfers	<u>-</u>	<u>-</u>	<u>656,168</u>	<u>(656,168)</u>
Total nonoperating expenses	<u>-</u>	<u>-</u>	<u>656,168</u>	<u>(656,168)</u>
Capital contributions:				
County of Augusta	2,121,000	2,121,000	-	(2,121,000)
City of Staunton	868,000	868,000	-	(868,000)
City of Waynesboro	<u>952,000</u>	<u>952,000</u>	<u>-</u>	<u>(952,000)</u>
	<u>3,941,000</u>	<u>3,941,000</u>	<u>-</u>	<u>(3,941,000)</u>
Change in net position (partial)	\$ <u>4,720,036</u>	\$ <u>4,720,036</u>	\$ <u>625,269</u>	\$ <u>(4,094,767)</u>

Note: Non-cash OPEB, GLI OPEB, pension, depreciation and amortization, and closure and post-closure care expenses are not included in this schedule.

**AUGUSTA REGIONAL LANDFILL**  
**Supplementary Schedule of Net Position**  
**(Undivided Interest/Joint Venture)**  
**June 30, 2023**

	Augusta Undivided Interest	Staunton Undivided Interest	Waynesboro Undivided Interest	Undivided Interest Total	Joint Venture #21	Joint Venture #585	Joint Venture Total	Entity Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
Current assets:								
Cash and cash equivalents	\$ 517,197	\$ 95,315	\$ 268,073	\$ 880,585	\$ -	\$ 12,743	\$ 12,743	\$ 893,328
Cash and cash equivalents- Landfill closure sinking fund deposits	-	-	-	-	-	11,225,712	11,225,712	11,225,712
Accounts receivable - net of allowance for uncollectibles	212,128	45,350	66,819	324,297	-	(12,743)	(12,743)	311,554
Misc. Receivable	1,348	486	571	2,405	-	-	-	2,405
Prepaid Assets	10,891	3,728	4,657	19,276	-	-	-	19,276
Total current assets	741,564	144,879	340,120	1,226,563	-	11,225,712	11,225,712	12,452,275
Noncurrent assets--Capital Assets:								
Land	-	-	-	-	40,245	2,202,856	2,243,101	2,243,101
Landfill site	-	-	-	-	-	13,859,844	13,859,844	13,859,844
Buildings and improvements	-	-	-	-	-	2,874,468	2,874,468	2,874,468
Operating equipment and software	-	-	-	-	-	7,334,283	7,334,283	7,334,283
Transportation equipment	-	-	-	-	-	267,815	267,815	267,815
Construction in progress	-	-	-	-	-	2,253,247	2,253,247	2,253,247
	-	-	-	-	40,245	28,792,513	28,832,758	28,832,758
Less: Accumulated depreciation and amortization	-	-	-	-	-	(19,328,890)	(19,328,890)	(19,328,890)
Total capital assets, net	-	-	-	-	40,245	9,463,623	9,503,868	9,503,868
Pension Asset	3,664	-	-	3,664	-	-	-	3,664
Total noncurrent assets	3,664	-	-	3,664	40,245	9,463,623	9,503,868	9,507,532
Total assets	745,228	144,879	340,120	1,230,227	40,245	20,689,335	20,729,580	21,959,807
Deferred Outflows of Resources:								
Pension Plan	151,679	54,600	64,286	270,565	-	-	-	270,565
OPEB - Health care	22,606	8,138	9,581	40,325	-	-	-	40,325
OPEB - GLI	4,687	1,687	1,987	8,361	-	-	-	8,361
Total deferred outflows of resources	178,972	64,425	75,854	319,251	-	-	-	319,251
Total assets and deferred outflows of resources	924,200	209,304	415,974	1,549,478	40,245	20,689,335	20,729,580	22,279,058
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable-operating	61,240	24,846	22,044	108,130	-	-	-	108,130
Accounts Payable-capital	36,605	13,177	15,514	65,296	-	543,939	543,939	609,235
Due to other governments	161,086	56,124	62,088	279,298	-	-	-	279,298
Due to other governments-capital	16,917	6,089	7,170	30,176	-	-	-	30,176
Compensated absences	38,271	15,061	17,549	70,881	-	-	-	70,881
Closure costs	-	-	-	-	-	4,570,000	4,570,000	4,570,000
Post-closure monitoring costs	-	-	-	-	109,438	-	109,438	109,438
Subsidy to (from) sinking fund	100,517	24,713	39,422	164,652	-	(164,652)	(164,652)	-
Total current liabilities	414,636	140,010	163,787	718,433	109,438	4,949,287	5,058,725	5,777,158
Noncurrent liabilities:								
Compensated absences	17,353	10,902	7,501	35,756	-	-	-	35,756
OPEB - Health care	94,899	37,601	42,324	174,824	-	-	-	174,824
OPEB - GLI	22,379	8,845	10,183	41,407	-	-	-	41,407
Pension obligation	-	3,044	4,752	7,796	-	-	-	7,796
Closure costs	-	-	-	-	-	3,108,863	3,108,863	3,108,863
Post-closure monitoring costs	-	-	-	-	1,258,541	2,076,846	3,335,387	3,335,387
Total noncurrent liabilities	134,631	60,392	64,760	259,783	1,258,541	5,185,709	6,444,250	6,704,033
Total liabilities	549,267	200,402	228,547	978,216	1,367,979	10,134,996	11,502,975	12,481,191
Deferred Inflows of Resources:								
Pension Plan	181,754	65,426	77,033	324,213	-	-	-	324,213
OPEB - Health care	34,153	12,294	14,475	60,922	-	-	-	60,922
OPEB - GLI	4,810	1,731	2,039	8,580	-	-	-	8,580
Total deferred inflows of resources	220,717	79,451	93,547	393,715	-	-	-	393,715
Total liabilities	769,984	279,853	322,094	1,371,931	1,367,979	10,134,996	11,502,975	12,874,906
<b>NET POSITION</b>								
Total net position*	\$ 154,216	\$ (70,549)	\$ 93,880	\$ 177,547	\$ (1,327,734)	\$ 10,554,339	\$ 9,226,605	\$ 9,404,152

\*The Statements of Net Position, as presented in the basic financial statements, present the net position for each undivided interest as "Due to/(from)" each locality so that liabilities equal equity for the undivided interest portion of this entity. Therefore, \$177,547 must be subtracted from the total liabilities and subtracted from the net position to reconcile to the 2023 column of that statement.

**AUGUSTA REGIONAL LANDFILL**

**Supplementary Schedule of Revenues, Expenses and Changes in Net Position  
(Undivided Interest/Joint Venture)  
Year Ended June 30, 2023**

	Augusta Undivided Interest	Staunton Undivided Interest	Waynesboro Undivided Interest	Undivided Interest Total	Joint Venture #21	Joint Venture #585	Entity Total
Operating revenues:							
Tipping fees	\$ 2,267,436	\$ 494,925	\$ 898,472	\$ 3,660,833	\$ -	\$ -	\$ 3,660,833
Other income	121,341	117,679	2,425	241,445	-	-	241,445
(Transfers to) Closure revenues	(74,047)	(48,683)	(16)	(122,746)	122,677	69	-
Total operating revenues	<u>2,314,730</u>	<u>563,921</u>	<u>900,881</u>	<u>3,779,532</u>	<u>122,677</u>	<u>69</u>	<u>3,902,278</u>
Operating expenses:							
Daily operations	1,334,622	480,426	565,655	2,380,703	-	-	2,380,703
Augusta County clean-up	15,619	-	-	15,619	-	-	15,619
Leachate management	46,577	16,766	19,741	83,084	-	-	83,084
Landfill closure and post-closure costs	-	-	-	-	221,144	1,141,085	1,362,229
Depreciation and amortization	-	-	-	-	-	1,527,414	1,527,414
Total operating expenses	<u>1,396,818</u>	<u>497,192</u>	<u>585,396</u>	<u>2,479,406</u>	<u>221,144</u>	<u>2,668,499</u>	<u>5,369,049</u>
Operating income (loss)	<u>917,912</u>	<u>66,729</u>	<u>315,485</u>	<u>1,300,126</u>	<u>(98,467)</u>	<u>(2,668,430)</u>	<u>(1,466,771)</u>
Nonoperating revenues (expenses/transfers):							
Interest	2,365	828	1,650	4,843	-	318,613	323,456
(Transfers to) Contributions for capital assets	(146,932)	(52,891)	(62,275)	(262,098)	-	262,098	-
(Transfers to) Contributions for sinking fund	(392,163)	(91,758)	(172,247)	(656,168)	-	656,168	-
Total nonoperating revenues (expenses), net	<u>(536,730)</u>	<u>(143,821)</u>	<u>(232,872)</u>	<u>(913,423)</u>	<u>-</u>	<u>1,236,879</u>	<u>323,456</u>
Change in net position*	381,182	(77,092)	82,613	386,703	(98,467)	(1,431,551)	(1,143,315)
Net position, beginning of year	<u>(226,966)</u>	<u>6,543</u>	<u>11,267</u>	<u>(209,156)</u>	<u>(1,229,267)</u>	<u>11,985,890</u>	<u>10,547,467</u>
Net position, end of year*	<u>\$ 154,216</u>	<u>\$ (70,549)</u>	<u>\$ 93,880</u>	<u>\$ 177,547</u>	<u>\$ (1,327,734)</u>	<u>\$ 10,554,339</u>	<u>\$ 9,404,152</u>

\*The Statements of Revenues, Expenses and Changes in Net Position, as presented in the basic financial statements, present the changes in net position for each undivided interest as "Subsidies (to)/from" each locality so that there is no "change in net position" for the undivided interest portion of this entity. Therefore, the Undivided interest total for Changes in net position, Beginning of year net position, and end of year net position must be subtracted from the Entity total to reconcile to that basic statement for 2023.

**AUGUSTA REGIONAL LANDFILL**

**Supplementary Schedule of Cash Flows  
(Undivided Interest/Joint Venture)  
Year Ended June 30, 2023**

	<b>Augusta Undivided Interest</b>	<b>Staunton Undivided Interest</b>	<b>Waynesboro Undivided Interest</b>	<b>Undivided Interest Total</b>	<b>Joint Venture #21</b>	<b>Joint Venture #585</b>	<b>Entity Total</b>
Operating activities:							
Receipts from customers and users	\$ 2,384,782	\$ 609,828	\$ 904,618	\$ 3,899,228	\$ 122,677	\$ 2,061	\$ 4,023,966
Payments to suppliers	(857,373)	(334,207)	(328,734)	(1,520,314)	-	-	(1,520,314)
Payments to employees	(682,029)	(245,511)	(289,066)	(1,216,606)	-	-	(1,216,606)
<b>Net cash provided by operating activities</b>	<u>845,380</u>	<u>30,110</u>	<u>286,818</u>	<u>1,162,308</u>	<u>122,677</u>	<u>2,061</u>	<u>1,287,046</u>
Capital and related financing activities:							
Acquisition and construction of capital assets	-	-	-	-	-	(931,542)	(931,542)
Capital contributions--transfers from agency funds	(145,618)	(52,082)	(59,361)	(257,061)	-	257,061	-
<b>Net cash used in capital and related financing activities</b>	<u>(145,618)</u>	<u>(52,082)</u>	<u>(59,361)</u>	<u>(257,061)</u>	<u>-</u>	<u>(674,481)</u>	<u>(931,542)</u>
Non-capital and related financing activities:							
Sinking fund contributions	(388,281)	(92,317)	(173,997)	(654,595)	-	654,595	-
Payments to reduce post-closure liability	-	-	-	-	(122,677)	(69)	(122,746)
<b>Net cash provided by (used in) non-capital and related financing activities</b>	<u>(388,281)</u>	<u>(92,317)</u>	<u>(173,997)</u>	<u>(654,595)</u>	<u>(122,677)</u>	<u>654,526</u>	<u>(122,746)</u>
Investing activities:							
Investment income	<u>2,365</u>	<u>828</u>	<u>1,650</u>	<u>4,843</u>	<u>-</u>	<u>318,613</u>	<u>323,456</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>313,846</u>	<u>(113,461)</u>	<u>55,110</u>	<u>255,495</u>	<u>-</u>	<u>300,719</u>	<u>556,214</u>
Cash and cash equivalents, beginning of year	203,351	208,776	212,963	625,090	-	10,937,736	11,562,826
Cash and cash equivalents, end of year	<u>\$ 517,197</u>	<u>\$ 95,315</u>	<u>\$ 268,073</u>	<u>\$ 880,585</u>	<u>\$ -</u>	<u>\$ 11,238,455</u>	<u>\$ 12,119,040</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:							
Operating income (loss)	\$ 917,912	\$ 66,729	\$ 315,485	\$ 1,300,126	\$ (98,467)	\$ (2,668,430)	\$ (1,466,771)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Pension expense	2,105	758	892	3,755	-	-	3,755
OPEB expense	1,804	650	765	3,219	-	-	3,219
GLI OPEB expense	699	251	296	1,246	-	-	1,246
Depreciation and amortization	-	-	-	-	-	1,527,414	1,527,414
Landfill closure and post-closure costs	-	-	-	-	221,144	1,141,085	1,362,229
Changes in operating assets and liabilities:							
Decrease (increase) in accounts and misc. receivables	20,783	(1,331)	3,194	22,646	-	1,992	24,638
Decrease (increase) in prepaid expenses	(543)	(3)	(271)	(817)	-	-	(817)
Increase in accounts payable/due to other gov'ts	(66,903)	(26,445)	(23,949)	(117,297)	-	-	(117,297)
Decrease in compensated absences	(8,574)	(3,224)	(4,597)	(16,395)	-	-	(16,395)
Decrease in pension costs	(19,500)	(6,385)	(3,805)	(29,690)	-	-	(29,690)
Increase (decrease) in other post employment benefits	201	27	(228)	-	-	-	-
Decrease in GLI other post employment benefits	(2,604)	(917)	(964)	(4,485)	-	-	(4,485)
<b>Net cash provided by operating activities</b>	<u>\$ 845,380</u>	<u>\$ 30,110</u>	<u>\$ 286,818</u>	<u>\$ 1,162,308</u>	<u>\$ 122,677</u>	<u>\$ 2,061</u>	<u>\$ 1,287,046</u>

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## **STATISTICAL SECTION**

## **Statistical Section:**

This part of the Augusta Regional Landfill's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary schedules say about the Landfill's overall financial health. This information has not been audited by the independent auditor.

## **Contents**

### Financial Trends - Tables 1-3

*These tables contain trend information to help the reader understand how the Landfill's financial performance and well-being have changed over time as well as a table that shows tonnage by calendar year--information that is used to determine expenditure allocations between the participating localities for operations and capital as well as non-cash depreciation, amortization, closure, and post-closure expenses.*

### Revenue Trends and Capacity - Tables 4-9

*These tables contain trend information to help the reader assess the Landfill's tipping fees over time, waste received by the total landfill and each owner by fiscal year and type of waste, and the most significant revenue sources.*

### Operating Information - Table 10

*This table provides the reader with additional Landfill operational statistics for a given fiscal year to help the reader understand how the information in the Landfill's financial report relates to the services the government provides and the activities it performs.*



**AUGUSTA REGIONAL LANDFILL**

**Table 1**

**Condensed Schedule of Net Position  
Last Ten Fiscal Years  
Unaudited**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Assets and Deferred Outflows of Resources</b>										
Current assets:										
Operating cash	\$ 893,328	\$ 635,841	\$ 731,049	\$ 768,394	\$ 968,406	\$ 1,091,232	\$ 645,031	\$ 758,130	\$ 975,891	\$ 992,723
JV585 closure sinking fund	11,225,712	10,926,985	10,348,891	9,778,454	10,046,812	9,279,825	8,857,311	8,364,928	7,874,604	7,426,060
Accounts, misc. & interest receivables	313,959	338,597	315,339	327,385	355,801	348,909	318,999	309,038	262,106	237,310
Prepaid expenses	19,276	18,459	-	15,000	14,488	13,414	12,558	-	-	-
Noncurrent assets:										
Capital assets, net	9,503,868	9,550,764	9,644,138	9,637,123	8,927,083	9,440,534	10,415,137	10,314,268	10,071,270	10,568,644
Pension Asset	-	87,300	-	-	-	-	-	-	-	-
Total Assets	<u>21,956,143</u>	<u>21,557,946</u>	<u>21,039,417</u>	<u>20,526,356</u>	<u>20,312,590</u>	<u>20,173,914</u>	<u>20,249,036</u>	<u>19,746,364</u>	<u>19,183,871</u>	<u>19,224,737</u>
Deferred Outflows of Resources	<u>319,251</u>	<u>190,292</u>	<u>251,101</u>	<u>124,253</u>	<u>90,962</u>	<u>56,603</u>	<u>97,212</u>	<u>47,891</u>	<u>47,477</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>22,275,394</u>	<u>21,748,238</u>	<u>21,290,518</u>	<u>20,650,609</u>	<u>20,403,552</u>	<u>20,230,517</u>	<u>20,346,248</u>	<u>19,794,255</u>	<u>19,231,348</u>	<u>19,224,737</u>
<b>Liabilities and Deferred Inflows of Resources</b>										
Current liabilities	5,777,158	1,149,273	1,130,780	1,203,894	884,535	1,256,221	1,084,728	825,404	774,635	852,546
Noncurrent liabilities										
Compensated absences	35,756	62,957	99,922	30,479	60,122	64,817	54,925	40,037	48,757	49,280
Other post-employment benefits obligations	216,231	243,807	218,272	190,422	198,296	227,401	101,378	96,974	83,082	69,191
Pension obligation	4,132	-	306,024	121,077	73,978	102,775	229,438	136,348	110,338	-
Amounts due to/(from) participating localities:										
County of Augusta	154,216	(226,966)	(35,436)	(101,765)	141,358	(5,031)	(171,046)	15,019	(22,547)	58,263
City of Staunton	(70,549)	6,543	(136,293)	(100,152)	(78,807)	(130,537)	(126,927)	(42,234)	146,596	230,758
City of Waynesboro	93,880	11,267	(22,872)	111,321	319,616	261,096	243,303	350,133	402,800	338,108
Closure costs	3,108,863	6,380,986	5,778,534	5,547,035	5,046,116	4,907,675	4,285,724	3,999,021	3,950,332	3,869,031
Post-closure monitoring costs	3,335,387	3,009,181	2,836,082	2,877,061	2,807,991	2,856,812	2,712,037	2,707,666	2,800,813	2,863,060
Total Liabilities	<u>12,655,074</u>	<u>10,637,048</u>	<u>10,175,013</u>	<u>9,879,372</u>	<u>9,453,205</u>	<u>9,541,229</u>	<u>8,413,560</u>	<u>8,128,368</u>	<u>8,294,806</u>	<u>8,330,237</u>
Deferred Inflows of Resources	<u>393,715</u>	<u>354,567</u>	<u>83,164</u>	<u>129,203</u>	<u>124,472</u>	<u>66,144</u>	<u>-</u>	<u>44,739</u>	<u>101,636</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>13,048,789</u>	<u>10,991,615</u>	<u>10,258,177</u>	<u>10,008,575</u>	<u>9,577,677</u>	<u>9,607,373</u>	<u>8,413,560</u>	<u>8,173,107</u>	<u>8,396,442</u>	<u>8,330,237</u>
<b>Net Position</b>										
Net Investment in Capital Assets	8,864,457	9,460,329	9,644,138	9,637,123	8,927,083	9,440,534	10,415,137	10,314,268	10,071,270	10,568,644
Unrestricted	362,148	1,296,294	1,388,203	1,004,911	1,898,792	1,182,610	1,517,551	1,306,880	763,636	325,856
Total net position	<u>9,226,605</u>	<u>10,756,623</u>	<u>11,032,341</u>	<u>\$ 10,642,034</u>	<u>\$ 10,825,875</u>	<u>\$ 10,623,144</u>	<u>\$ 11,932,688</u>	<u>\$ 11,621,148</u>	<u>\$ 10,834,906</u>	<u>\$ 10,894,500</u>

Notes: The "Amounts due to participating localities" are equivalent to the "net position" of each locality's undivided interest in supplementary schedule presentations.

Source: Landfill audited financial statements.

## AUGUSTA REGIONAL LANDFILL

Table 2

**Condensed Schedule of Revenues, Expenses and Changes in Net Position**  
**Last Ten Fiscal Years**  
**Unaudited**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Operating revenues</b>										
Tipping fees										
County of Augusta	\$ 2,267,436	\$ 1,943,445	\$ 1,880,373	\$ 1,993,512	\$ 1,902,493	\$ 1,745,145	\$ 1,466,668	\$ 1,407,295	\$ 1,249,023	\$ 1,233,019
City of Staunton	494,925	526,374	529,544	542,377	537,096	540,816	460,765	500,223	438,172	460,318
City of Waynesboro	898,472	757,391	689,173	677,513	773,356	728,729	706,647	731,978	690,095	626,250
Other income	241,445	255,118	120,195	101,017	170,554	141,732	82,646	89,839	91,519	143,601
Total operating revenues	<u>3,902,278</u>	<u>3,482,328</u>	<u>3,219,285</u>	<u>3,314,419</u>	<u>3,383,499</u>	<u>3,156,422</u>	<u>2,716,726</u>	<u>2,729,335</u>	<u>2,468,809</u>	<u>2,463,188</u>
<b>Operating expenses</b>										
Daily operations	2,380,703	2,195,344	2,129,754	2,408,061	2,075,998	1,906,288	1,848,851	1,811,620	1,631,268	1,817,195
Augusta County clean-up	15,619	24,208	-	3,167	13,228	9,625	13,753	15,494	13,359	14,323
Leachate management	83,084	87,634	121,669	100,295	164,783	96,666	67,196	116,566	79,888	84,449
Landfill closure and post-closure costs	1,362,229	891,448	382,986	701,859	268,385	901,474	393,001	89,056	130,539	282,465
Depreciation and amortization	1,527,414	1,112,579	1,036,713	1,141,078	719,975	1,412,596	852,143	552,740	606,516	793,783
Total operating expenses	<u>5,369,049</u>	<u>4,311,213</u>	<u>3,671,122</u>	<u>4,354,460</u>	<u>3,242,369</u>	<u>4,326,649</u>	<u>3,174,944</u>	<u>2,585,476</u>	<u>2,461,570</u>	<u>2,992,215</u>
Operating income (loss)	<u>(1,466,771)</u>	<u>(828,885)</u>	<u>(451,837)</u>	<u>(1,040,041)</u>	<u>141,130</u>	<u>(1,170,227)</u>	<u>(458,218)</u>	<u>143,859</u>	<u>7,239</u>	<u>(529,027)</u>
<b>Nonoperating revenues (expenses)</b>										
Interest earned by localities	4,843	246	740	3,422	11,022	2,622	1,889	2,534	2,808	4,112
Interest earned—585 closure sinking fund	318,613	28,366	22,399	180,015	207,218	93,298	40,281	30,092	23,502	18,474
Gain on disposal of assets	-	60,000	115,000	-	-	-	-	-	-	329,779
Subsidies (to) from participating localities:										
County of Augusta	(381,182)	191,530	(66,329)	243,123	(146,389)	(196,250)	186,065	(37,566)	(22,381)	89,235
City of Staunton	77,092	(142,836)	36,141	21,345	(51,730)	(8,031)	84,693	188,830	42,576	60,879
City of Waynesboro	(82,613)	(34,139)	134,193	208,295	(58,520)	(30,956)	106,830	52,667	(113,338)	196,787
Total nonoperating revenue (expenses), net	<u>(63,247)</u>	<u>103,167</u>	<u>242,144</u>	<u>656,200</u>	<u>(38,399)</u>	<u>(139,317)</u>	<u>419,758</u>	<u>236,557</u>	<u>(66,833)</u>	<u>699,266</u>
<b>Capital contributions</b>										
County of Augusta	-	26,000	400,000	-	-	-	200,000	405,826	-	-
City of Staunton	-	300,000	200,000	200,000	100,000	-	150,000	-	-	-
City of Waynesboro	-	124,000	-	-	-	-	-	-	-	(207,795)
Total capital contributions	<u>-</u>	<u>450,000</u>	<u>600,000</u>	<u>200,000</u>	<u>100,000</u>	<u>-</u>	<u>350,000</u>	<u>405,826</u>	<u>-</u>	<u>(207,795)</u>
Change in net position	(1,530,018)	(275,718)	390,307	(183,841)	202,731	(1,309,544)	311,540	786,242	(59,594)	(37,556)
Net position, beginning of year	10,756,623	11,032,341	10,642,034	10,825,875	10,623,144	11,932,688	11,621,148	10,834,906	10,894,500	10,932,056
Net position, end of year	<u>\$ 9,226,605</u>	<u>\$ 10,756,623</u>	<u>\$ 11,032,341</u>	<u>\$ 10,642,034</u>	<u>\$ 10,825,875</u>	<u>\$ 10,623,144</u>	<u>\$ 11,932,688</u>	<u>\$ 11,621,148</u>	<u>\$ 10,834,906</u>	<u>\$ 10,894,500</u>

## Notes:

- The "Subsidies (to) from participating localities" is the equivalent to the "changes in net position" of each locality's undivided interest in supplementary schedule presentations. A negative number indicates that the locality had a surplus of revenues that year.

Source: Landfill audited financial statements.

**Augusta Regional Landfill**
**Calendar Year Tonnage Calculations for Permit# 585 to be used for Monthly Reimbursement & Financial Statement Allocations**

Calendar Year Statistics	Beginning of Year	Tons	Adjust-	End	Operating/Capital Allocations (Based on Tons Rec'd) w/ 5% host fee		Land Acquisitions	
	Cell Tonnage	Received**	ments*	Cell Tonnage			Depr/Closure Allocations (Based on EOY Tonnage) w/ 5% host fee	
1998-2000 (tonnage not used for allocations per landfill agreement)								
2013--To be used for FY2015 allocations					FY2015		FY2015	
Augusta Co.	931,278.95	71,800.94	6,191.88	996,888.01	58.35%	53.35%	56.71%	51.71%
Staunton	393,519.15	23,622.58	1,893.84	415,247.89	19.20%	21.50%	23.62%	26.35%
Waynesboro	318,941.26	27,635.29	920.86	345,655.69	22.45%	25.15%	19.66%	21.94%
2013 total	1,643,739.36	123,058.81	9,006.58	1,757,791.59	100.00%	100.00%	100.00%	100.00%
2014--To be used for FY2016 allocations					FY2016		FY2016	
Augusta Co.	996,888.01	71,747.31	4,920.17	1,063,715.15	59.64%	54.64%	56.84%	51.84%
Staunton	415,247.89	22,783.24	1,201.84	436,829.29	18.94%	21.29%	23.34%	26.04%
Waynesboro	345,655.69	25,766.22	445.92	370,975.99	21.42%	24.07%	19.82%	22.12%
2014 total	1,757,791.59	120,296.77	6,567.93	1,871,520.43	100.00%	100.00%	100.00%	100.00%
2015--To be used for FY2017 allocations					FY2017		FY2017	
Augusta Co.	1,063,715.15	75,553.55	4,106.20	1,135,162.50	59.93%	54.93%	56.97%	51.97%
Staunton	436,829.29	23,645.05	749.76	459,724.58	18.76%	21.10%	23.07%	25.75%
Waynesboro	370,975.99	26,867.10	201.00	397,642.09	21.31%	23.97%	19.96%	22.28%
2015 total	1,871,520.43	126,065.70	5,056.96	1,992,529.17	100.00%	100.00%	100.00%	100.00%
2016--To be used for FY2018 allocations					FY2018		FY2018	
Augusta Co.	1,135,162.50	79,790.28	4,677.08	1,210,275.70	59.87%	54.87%	57.09%	52.09%
Staunton	459,724.58	23,995.33	738.63	482,981.28	18.01%	20.25%	22.78%	25.43%
Waynesboro	397,642.09	29,476.62	275.96	426,842.75	22.12%	24.88%	20.13%	22.48%
2016 total	1,992,529.17	133,262.23	5,691.67	2,120,099.73	100.00%	100.00%	100.00%	100.00%
2017--To be used for FY2019 allocations					FY2019		FY2019	
Augusta Co.	1,210,275.70	87,410.12	4,961.00	1,292,724.83	61.67%	56.67%	57.32%	52.32%
Staunton	482,981.28	25,150.35	1,013.92	507,117.70	17.74%	20.06%	22.48%	25.11%
Waynesboro	426,842.75	29,173.45	407.44	455,608.76	20.58%	23.27%	20.20%	22.57%
2017 total	2,120,099.73	141,733.92	6,382.36	2,255,451.29	100.00%	100.00%	100.00%	100.00%
2018--To be used for FY2020 allocations					FY2020		FY2020	
Augusta Co.	1,292,724.83	91,590.85	6,519.26	1,377,796.42	61.75%	56.75%	57.51%	52.51%
Staunton	507,117.70	26,276.44	1,135.52	532,258.62	17.71%	20.03%	22.22%	24.83%
Waynesboro	455,608.76	30,462.19	559.96	485,510.99	20.54%	23.22%	20.27%	22.66%
2018 total	2,255,451.29	148,329.48	8,214.74	2,395,566.03	100.00%	100.00%	100.00%	100.00%
2019--To be used for FY2021 allocations					FY2021		FY2021	
Augusta Co.	1,377,796.42	93,963.52	7,388.78	1,464,371.15	62.88%	57.88%	57.75%	52.75%
Staunton	532,258.62	27,025.19	1,077.97	558,205.85	18.08%	20.52%	22.01%	24.62%
Waynesboro	485,510.99	28,451.11	815.57	513,146.53	19.04%	21.60%	20.24%	22.63%
2019 total	2,395,566.03	149,439.82	9,282.32	2,535,723.53	100.00%	100.00%	100.00%	100.00%
2020--To be used for FY2022 allocations					FY2022		FY2022	
Augusta Co.	1,464,371.15	97,355.37	6,007.25	1,555,719.27	62.73%	57.73%	57.98%	52.98%
Staunton	558,205.85	27,934.78	1,159.37	584,981.26	18.00%	20.41%	21.80%	24.39%
Waynesboro	513,146.53	29,916.42	457.78	542,605.17	19.27%	21.86%	20.22%	22.63%
2020 total	2,535,723.53	155,206.57	7,624.40	2,683,305.70	100.00%	100.00%	100.00%	100.00%
2021--To be used for FY2023 allocations					FY2023		FY2023	
Augusta Co.	1,555,719.27	89,805.95	4,874.23	1,640,650.99	61.06%	56.06%	58.10%	53.10%
Staunton	584,981.26	26,303.49	1,141.29	610,143.46	17.88%	20.18%	21.61%	24.19%
Waynesboro	542,605.17	30,962.72	688.90	572,878.99	21.05%	23.76%	20.29%	22.71%
2021 total	2,683,305.70	147,072.16	6,704.42	2,823,673.44	100.00%	100.00%	100.00%	100.00%

\*Allocation for Closure-Post Closure is based on total tonnage received at the active landfill less biosolids, woodwaste, mulch, and heavy tires. Dirt and Highland County waste, however, are counted toward this allocation.

\*\*Beginning in 2004, Highland Co. tons are deducted from the tonnage received for operating/capital allocation purposes but not for closure allocations. Beginning in 2011, MR WWTP sludge reallocations were included in both allocations.

Source: Augusta Regional Landfill Operational records

**AUGUSTA REGIONAL LANDFILL**
**Table 4**
**Tipping Fee History  
Unaudited**

	Jul. 1st 2015	Sep. 1st 2007	Dec. 1st 2000	Jul. 1st 1996	Jul. 1st 1995	Jul. 1st 1993	Jul. 1st 1992
Commercial & Industrial waste (ton)	\$ 45.00	\$ 45.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 32.00
Commercial & Industrial waste (cubic yard)	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Other Government Agency waste (ton)	45.00	45.00	40.00	7.50	7.50	7.50	7.50*
Residential Waste (Augusta Co. Only)	15.00	7.50	7.50	7.50	7.50	7.50	7.50
Wood waste (brush & pallets, ton)	20.00	15.00	15.00	15.00	15.00	10.00	10.00
Appliances (each)	N/A	N/A	N/A	No Charge	N/A	4.00	4.00
Car tires/off rim (piece)	2.00	1.50	1.50	1.50	1.50	1.50	1.50
Car tires/on rim (piece)	4.00	3.00	3.00	3.00	5.00	N/A	N/A
Truck tires (piece)	N/A	N/A	N/A	N/A	3.00	3.00	3.00
Tractor trailer tires (piece)	8.00	8.00	8.00	8.00	8.00	N/A	N/A
Off road/heavy equipment tires **	168.00/ton	168.00/ton	168.00/ton	168.00/ton	8.00/tire	8.00/tire	8.00/tire
Grease trap pumpings (ton)	N/A	N/A	N/A	N/A	10.00	10.00	10.00
Mulch and wood chips (ton)	N/A	N/A	N/A	10.00	4.00	4.00	4.00

**Note:**

- No change to tipping fee structure since July 1, 2015

\* Implemented January 1, 1991

\*\*\$110.00/piece or \$168.00/ton (whichever is less) as stated on schedule; generally, \$168/ton is used

N/A = Not Applicable, indicates that the category either 1) no longer exists or 2) is now included in another category.

Source: Augusta Regional Landfill correspondence files.

**AUGUSTA REGIONAL LANDFILL**
**Table 5**
**Top Ten Billed Customers - Current Year  
Unaudited**

	Total	Augusta County	City of Staunton	City of Waynesboro
Waste Management	\$ 1,193,486	\$ 694,775	\$ 132,479	\$ 366,232
BTS	468,433	344,095	52,187	72,151
Republic Services	373,062	139,612	105,880	127,570
Augusta County Disposal	131,123	131,123	-	-
Highland County	72,315	40,538	14,594	17,183
Green Earth	61,727	19,447	20,814	21,466
Waste Movers	60,895	27,574	6,117	27,204
Happy Little Dumpsters LLC	53,970	31,752	9,871	12,347
Waste Operations	53,210	43,851	-	9,359
C & S Disposal Inc	52,585	47,661	4,425	499
Total revenue from top 10 customers	<u>\$ 2,520,806</u>	<u>\$ 1,520,428</u>	<u>\$ 346,367</u>	<u>\$ 654,011</u>
Total tipping fee revenue, current year	<u>\$ 3,660,833</u>	<u>\$ 2,267,436</u>	<u>\$ 494,925</u>	<u>\$ 898,472</u>
% of tipping fee revenue from top 10 customers	68.9%	67.1%	70.0%	72.8%

Source: Landfill audited financial statements and billing records.

**AUGUSTA REGIONAL LANDFILL**
**Table 6**
**Waste by Type--Total for All Owners (tons)  
Last Ten Fiscal Years  
Unaudited**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Residential</b>										
Residents Household	8,156	7,921	8,384	7,832	7,543	7,921	6,849	5,970	5,429	5,353
Residents Public Use Site	11,856	12,263	13,471	14,112	13,423	12,623	12,539	11,619	10,323	9,010
Residents Woodwaste	6,007	5,449	6,324	6,687	8,640	5,190	5,832	5,220	5,202	5,986
<b>Total Residential</b>	<b>26,019</b>	<b>25,633</b>	<b>28,179</b>	<b>28,631</b>	<b>29,606</b>	<b>25,734</b>	<b>25,220</b>	<b>22,809</b>	<b>20,954</b>	<b>20,349</b>
<b>Commercial</b>										
Gov't Hauled Household	29,981	32,160	33,149	32,104	31,195	31,440	31,511	31,258	31,050	30,731
Household Waste	11,832	12,333	12,151	11,396	10,828	10,629	10,273	10,061	9,457	9,410
Highland Clearing Acct.	1,606	1,628	1,620	1,668	1,585	1,525	1,464	1,446	1,455	1,418
Commercial Waste	38,883	37,448	35,648	37,282	36,607	35,530	34,018	33,679	31,616	33,582
Industrial Waste	10,251	10,175	10,435	9,496	11,262	10,115	8,428	6,829	6,652	5,869
Construction Demolition Debris (CDD)	27,309	17,679	17,702	19,906	18,564	19,162	13,137	14,549	12,059	9,532
Mulch	879	395	479	579	839	529	585	380	326	384
Woodwaste	3,024	2,081	1,882	1,951	3,133	1,679	1,580	1,183	1,540	1,936
Tires Heavy	1	-	2	5	4	3	7	7	2	-
Recycled Glass	470	499	571	673	153	-	-	-	-	-
<b>Total Commercial</b>	<b>124,236</b>	<b>114,398</b>	<b>113,639</b>	<b>115,060</b>	<b>114,170</b>	<b>110,612</b>	<b>101,003</b>	<b>99,392</b>	<b>94,157</b>	<b>92,862</b>
<b>Subtotal</b>	<b>150,255</b>	<b>140,031</b>	<b>141,818</b>	<b>143,691</b>	<b>143,776</b>	<b>136,346</b>	<b>126,223</b>	<b>122,201</b>	<b>115,111</b>	<b>113,211</b>
Biosolids	9,380	9,303	10,408	9,219	8,917	9,015	8,870	9,362	8,442	7,780
Dirt	34	13	128	396	1,364	1,490	1,174	1,629	478	847
<b>Grand Total</b>	<b>159,669</b>	<b>149,347</b>	<b>152,354</b>	<b>153,306</b>	<b>154,057</b>	<b>146,851</b>	<b>136,267</b>	<b>133,192</b>	<b>124,031</b>	<b>121,838</b>
Percent billed	56%	52%	50%	51%	52%	50%	47%	49%	47%	46%

Source: Augusta Regional Landfill Operational and Billing records.

**AUGUSTA REGIONAL LANDFILL**
**Table 7**
**Augusta County Waste by Type (tons)  
Last Ten Fiscal Years  
Unaudited**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Residential</b>										
Residents Household	7,543	7,399	7,848	7,374	7,135	7,469	6,404	5,703	5,208	5,004
Residents Public Use Site	9,633	10,067	11,074	12,278	11,860	11,610	11,449	10,664	9,432	8,084
Residents Woodwaste	4,420	4,176	5,006	5,544	7,359	4,464	4,941	4,418	4,367	4,823
<b>Total Residential</b>	<b>21,596</b>	<b>21,642</b>	<b>23,928</b>	<b>25,196</b>	<b>26,354</b>	<b>23,543</b>	<b>22,794</b>	<b>20,785</b>	<b>19,007</b>	<b>17,911</b>
<b>Commercial</b>										
Gov't Hauled Household	13,403	15,150	15,661	15,511	14,876	15,792	15,991	15,811	15,834	15,548
Household Waste	11,636	12,148	11,722	10,766	10,249	10,034	9,668	9,427	8,831	8,845
Highland Clearing Acct.	900	940	938	947	898	837	804	790	776	754
Commercial Waste	20,172	18,046	16,719	17,738	16,283	14,570	13,782	12,905	12,777	14,730
Industrial Waste	8,337	8,434	9,013	8,085	8,685	7,717	6,362	5,293	4,391	4,050
Construction Demolition Debris (CDD)	16,929	10,421	10,102	12,818	11,727	13,524	8,771	8,569	7,752	5,823
Mulch	643	277	257	421	574	357	181	206	184	211
Woodwaste	1,557	1,190	993	1,156	1,510	824	749	423	671	876
Tires Heavy	-	-	1	1	4	3	6	4	2	-
Recycled Glass	231	272	247	232	46	-	-	-	-	-
<b>Total Commercial</b>	<b>73,808</b>	<b>66,878</b>	<b>65,653</b>	<b>67,675</b>	<b>64,852</b>	<b>63,658</b>	<b>56,314</b>	<b>53,428</b>	<b>51,218</b>	<b>50,837</b>
<b>Subtotal</b>	<b>95,404</b>	<b>88,520</b>	<b>89,581</b>	<b>92,871</b>	<b>91,206</b>	<b>87,201</b>	<b>79,108</b>	<b>74,213</b>	<b>70,225</b>	<b>68,748</b>
Biosolids	6,122	6,155	6,698	6,318	5,692	6,000	5,866	6,288	5,591	5,182
Dirt	13	13	123	282	471	982	625	759	383	738
<b>Grand Total</b>	<b>101,539</b>	<b>94,688</b>	<b>96,402</b>	<b>99,471</b>	<b>97,369</b>	<b>94,183</b>	<b>85,599</b>	<b>81,260</b>	<b>76,199</b>	<b>74,668</b>
Percent billed	54%	50%	48%	49%	49%	46%	42%	43%	41%	42%

Source: Augusta Regional Landfill Operational and Billing records.

**AUGUSTA REGIONAL LANDFILL**

**Table 8**

**City of Staunton Waste by Type (tons)  
Last Ten Fiscal Years  
Unaudited**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Residential</b>										
Residents Household	330	258	289	193	200	221	163	136	92	250
Residents Public Use Site	1,280	1,262	1,341	1,081	890	589	615	547	502	534
Residents Woodwaste	921	716	757	672	669	429	543	478	499	718
<b>Total Residential</b>	<b>2,531</b>	<b>2,236</b>	<b>2,387</b>	<b>1,946</b>	<b>1,759</b>	<b>1,239</b>	<b>1,321</b>	<b>1,161</b>	<b>1,093</b>	<b>1,502</b>
<b>Commercial</b>										
Gov't Hauled Household	8,984	9,178	9,548	9,193	9,219	8,734	8,748	8,645	8,588	8,573
Highland Clearing Acct.	324	332	332	334	318	309	309	308	313	312
Commercial Waste	7,344	8,422	8,138	8,618	8,856	8,900	8,372	8,611	8,383	8,228
Industrial Waste	159	198	201	125	245	83	43	50	134	174
Construction Demolition										
Debris (CDD)	3,405	2,756	3,413	3,566	3,392	3,578	2,086	2,702	1,638	2,181
Mulch	155	54	64	104	122	140	117	115	77	115
Woodwaste	1,119	662	586	545	901	639	577	583	660	663
Tires Heavy	-	-	-	4	-	-	1	3	-	-
Recycled Glass	117	122	204	251	63	-	-	-	-	-
<b>Total Commercial</b>	<b>21,607</b>	<b>21,724</b>	<b>22,486</b>	<b>22,740</b>	<b>23,116</b>	<b>22,383</b>	<b>20,253</b>	<b>21,017</b>	<b>19,793</b>	<b>20,246</b>
<b>Subtotal</b>	<b>24,138</b>	<b>23,960</b>	<b>24,873</b>	<b>24,686</b>	<b>24,875</b>	<b>23,622</b>	<b>21,574</b>	<b>22,178</b>	<b>20,886</b>	<b>21,748</b>
Dirt	-	-	-	75	81	52	171	69	50	21
<b>Grand Total</b>	<b>24,138</b>	<b>23,960</b>	<b>24,873</b>	<b>24,761</b>	<b>24,956</b>	<b>23,674</b>	<b>21,745</b>	<b>22,247</b>	<b>20,936</b>	<b>21,769</b>
Percent billed	48%	50%	49%	51%	50%	52%	49%	51%	48%	49%

Source: Augusta Regional Landfill Operational and Billing records.



## AUGUSTA REGIONAL LANDFILL

Table 9

**City of Waynesboro Waste By Type (tons)**  
**Last Ten Fiscal Years**  
**Unaudited**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Residential</b>										
Residents Household	283	264	247	265	208	231	282	131	129	99
Residents Public Use Site	943	934	1,056	753	673	424	475	408	389	392
Residents Woodwaste	666	557	561	471	612	297	348	324	336	445
<b>Total Residential</b>	<b>1,892</b>	<b>1,755</b>	<b>1,864</b>	<b>1,489</b>	<b>1,493</b>	<b>952</b>	<b>1,105</b>	<b>863</b>	<b>854</b>	<b>936</b>
<b>Commercial</b>										
Gov't Hauled Household	7,594	7,832	7,940	7,400	7,100	6,914	6,772	6,802	6,628	6,610
Household Waste	196	185	429	630	579	595	605	634	626	565
Highland Clearing Acct.	382	356	350	387	369	379	351	348	366	352
Commercial Waste	11,367	10,980	10,791	10,926	11,468	12,060	11,864	12,163	10,456	10,624
Industrial Waste	1,755	1,543	1,221	1,286	2,332	2,315	2,023	1,486	2,127	1,645
Construction Demolition Debris (CDD)	6,975	4,502	4,187	3,522	3,445	2,060	2,280	3,278	2,669	1,528
Mulch	81	64	158	54	143	32	287	59	65	58
Woodwaste	348	229	303	250	722	216	254	177	209	397
Tires Heavy	1	-	1	-	-	-	-	-	-	-
Recycled Glass	122	105	120	190	44	-	-	-	-	-
<b>Total Commercial</b>	<b>28,821</b>	<b>25,796</b>	<b>25,500</b>	<b>24,645</b>	<b>26,202</b>	<b>24,571</b>	<b>24,436</b>	<b>24,947</b>	<b>23,146</b>	<b>21,779</b>
<b>Subtotal</b>	<b>30,713</b>	<b>27,551</b>	<b>27,364</b>	<b>26,134</b>	<b>27,695</b>	<b>25,523</b>	<b>25,541</b>	<b>25,810</b>	<b>24,000</b>	<b>22,715</b>
Biosolids	3,258	3,148	3,710	2,901	3,225	3,015	3,004	3,074	2,851	2,598
Dirt	21	-	5	39	812	456	378	801	45	88
<b>Grand Total</b>	<b>33,992</b>	<b>30,699</b>	<b>31,079</b>	<b>29,074</b>	<b>31,732</b>	<b>28,994</b>	<b>28,923</b>	<b>29,685</b>	<b>26,896</b>	<b>25,401</b>
Percent billed	66%	62%	57%	58%	63%	64%	62%	63%	65%	62%

Source: Augusta Regional Landfill Operational and Billing records.

## AUGUSTA REGIONAL LANDFILL

Table 10

**Miscellaneous Operational Statistics**  
**Last Ten Fiscal Years**  
**Unaudited**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Trips to Landfill</b>										
Residents	155,016	156,638	165,666	162,258	151,735	132,481	129,382	123,956	114,660	116,952
Commercial	51,525	47,151	46,260	48,862	47,277	44,528	48,388	44,481	42,464	41,428
<b>Recycling Program</b>										
Woodwaste (tons)	9,910	7,925	8,685	9,216	12,612	7,398	7,413	6,403	7,068	8,306
Biosolids (tons)	9,380	9,303	10,408	9,219	8,917	9,015	8,870	9,362	8,442	7,780
Tires (piece, all types)	29,859	24,653	16,761	15,357	16,601	15,894	22,173	20,767	16,564	16,097
Appliances (piece)	3,625	3,600	4,055	4,320	3,600	3,513	3,440	2,928	2,223	2,255
Oil Recycled (gallons)	16,625	11,343	13,567	12,426	11,646	11,446	12,163	10,669	9,807	8,021
Oil Burned for Shop Heat (gallons)	3,450	3,500	3,500	3,600	3,600	3,500	3,500	3,600	3,600	3,600
Anti-Freeze (gallons)	1,461	1,393	1,615	1,330	1,496	955	1,824	916	880	775
Automotive Batteries (tons)	9	8	8	8	5	5	4	7	4	4
Scrap Metal (tons)	996	907	671	690	955	583	605	662	255	466
Cardboard (tons)	140	128	121	101	63	71	53	48	50	40
Electronics (tons)	-	-	7	63	69	63	60	60	50	52
<b>Public Use Site Container Loads</b>	3,369	5,165	6,667	5,840	5,307	4,803	5,057	4,794	4,101	3,498
<b>New Accounts</b>	74	118	58	59	67	77	108	97	133	93
<b>Total Accounts (active and inactive)</b>	3,960	3,863	3,761	3,703	3,644	3,577	3,500	3,392	3,295	3,160
<b>Employees (on-site, FTE at year end)</b>	14	14	14	14	14	14	14	15	14	14

Source: Augusta Regional Landfill Operational records.

## **COMPLIANCE**

**INDEPENDENT AUDITOR'S 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 Executive Committee  
Augusta Regional Landfill

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of Augusta Regional Landfill (Landfill), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Landfill's basic financial statements, and have issued our report thereon dated November 15, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Landfill's internal control over financial reporting (internal control) as a basis for designing 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 Landfill's internal control. Accordingly, we do not express an opinion on the effectiveness of the Landfill's internal control. Accordingly, we do not express an opinion on the Landfill'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 a material misstatement of the Landfill'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 we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Landfill'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 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 Landfill'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 Landfill's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PBMares, LLP*

Harrisonburg, Virginia  
November 15, 2023