Southside Regional Public Service Authority

Annual Comprehensive Financial Report

Years Ended June 30, 2024 and 2023

Creedle, Jones
& Associates, P.C.
Certified Public Accountants

Southside Regional Public Service Authority

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Year Ended June 30, 2024

Creedle Jones & Associates
A Professional Corporation

Robin B. Jones, CPA, CFP
Kimberly W. Jackson, CPA

Sherwood H. Creedle, Founder

Members of
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southside Regional Public Service Authority
Boydton, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Southside Regional Public Service Authority, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Southside Regional Public Service Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Southside Regional Public Service Authority, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *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 Southside Regional Public Service Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2024, the Authority adopted new accounting guidance, GASB Statement No. 99, Omnibus 2022 and No. 100, Accounting Changes and Error Corrections. Our opinion is not modified with respect to this matter.

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.

P. O. Box 487
828 N. Mecklenburg Avenue
South Hill, Virginia 23970
434-447-7111 • FAX: 434-447-5793
www.cja-cpa.com

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 Southside Regional Public Service Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 Southside Regional Public Service Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southside Regional Public Service Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding on pages 1–3 and 31-36 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 statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do 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 October 4, 2024, on our consideration of the Southside Regional Public Service Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Southside Regional Public Service Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Southside Regional Public Service Authority's internal control over financial reporting and compliance.

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
October 4, 2024

Southside Regional Public Service Authority

Management's Discussion and Analysis

As of June 30, 2024 and 2023

Our discussion and analysis of the Southside Regional Public Service Authority's financial performance provides an overview of the Authority's financial activities for the fiscal years ended June 30, 2024 and 2023. Please read this information in conjunction with Southside Regional Public Service Authority's basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Southside Regional Public Service Authority (the "Authority") presents three basic financial statements. These are: (1) Statements of Net Position; (2) Statements of Revenues, Expenses, and Changes in Net Position; and (3) Statements of Cash Flows.

Our financial position is measured in terms of resources (assets) we own and obligations (liabilities) we owe on a given date. This information is reported on the Statements of Net Position, which reflects the Authority's assets in relation to its debt to creditors. The excess of our assets over liabilities is our equity, or net position.

Information regarding the results of our operation during the years is reported in the Statements of Revenues, Expenses, and Changes in Net Position. These statements show how much our overall net position increased or decreased during the years as a result of our operations and for other reasons.

Our Statements of Cash Flows disclose the flow of cash resources into and out of the Authority during the years and how we applied those funds.

FINANCIAL SUMMARY

Financial Position

A summary of the Authority's Statements of Net Position for 2024 and 2023 is presented below:

	2024	2023
Assets	$ 21,312,028	$ 19,921,549
Deferred Outflows of Resources	113,937	62,946
Total Assets and Deferred Outflows of Resources	$ 21,425,965	$ 19,984,495
Liabilities	$ 10,874,725	$ 10,802,075
Deferred Inflows of Resources	110,739	167,724
Net Position		
Net investment in capital assets	8,569,819	8,950,791
Restricted	1,788	1,705
Unrestricted	1,868,894	62,200
Total Net Position	10,440,501	9,014,696
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 21,425,965	$ 19,984,495

Change in Net Position

A summary of the Authority's Condensed Statements of Revenues, Expenses, and Changes in Net Position for 2024 and 2023 is presented below:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023
Operating Revenues	**$ 3,751,041**	$ 3,270,532
Operating Expenses	**(2,832,279)**	(2,888,556)
Net Operating Income	**918,762**	381,976
Non-Operating Revenue	**533,022**	326,196
Non-Operating Expense	**(25,979)**	(53,502)
Changes in Net Position	**$ 1,425,805**	$ 654,670

During the year, the Authority's net operating income was $918,762. Non-operating revenues were $533,022 and non-operating expenses were $25,979. Changes in net position were an overall increase of $1,425,805.

Cash Flows

A summary of the Authority's Condensed Statements of Cash Flows for 2024 and 2023 is presented below:

Condensed Statements of Cash Flows

	2024	2023
Cash Provided by (Used in)		
Operating activities	**$ 1,876,012**	$ 1,240,498
Noncapital financing activities	**32,091**	26,398
Capital and related financing activities	**(245,151)**	(595,696)
Investing activities	**500,931**	299,798
Net Increase in Cash	**$ 2,163,883**	$ 970,998

Capital Assets

As of June 30, 2024, the Authority's business-type activities net capital assets total $10,005,322, a decrease of $663,154 or 6.21% over the previous fiscal year.

Change in Capital Assets

	Balance July 1, 2023	Net Additions and Deletions	Balance June 30, 2024
Land	$ 821,717	$ -	**$ 821,717**
Land improvements	12,023,030	-	**12,023,030**
Buildings and improvements	396,530	-	**396,530**
Equipment and vehicles	2,119,510	79,564	**2,199,074**
Total Capital Assets	15,360,787	79,564	**15,440,351**
Less: Accumulated depreciation	4,966,836	507,411	**5,474,247**
Total Capital Assets, Net	$ 10,393,951	$ (427,847)	**$ 9,966,104**
Lease assets	$ 725,532	$ -	**$ 725,532**
Less: Accumulated amortization	(451,007)	(235,307)	**(686,314)**
Lease Assets, Net	$ 274,525	$ (235,307)	**$ 39,218**

Long-Term Debt

As of June 30, 2024, the Authority's long-term obligations total $10,668,999.

The Authority's long-term obligations are presented as follows:

Change in Long-Term Debt

	Balance July 1, 2023	Net Additions and Deletions	Balance June 30, 2024
Virginia Resources Authority, Revenue Bond Series 2016	$ 1,325,000	$ (110,000)	**$ 1,215,000**
Total Outstanding Debt	1,325,000	(110,000)	**1,215,000**
Add: Unamortized Premium on 2016 Bond	230,973	(23,097)	**207,876**
Landfill closure and postclosure costs	8,890,477	293,386	**9,183,863**
Compensated absences	52,097	10,163	**62,260**
Total Long-Term Liabilities	$ 10,498,547	$ 170,452	**$ 10,668,999**

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Wayne Carter, Executive Director, who as Treasurer is the Fiscal Agent for Southside Regional Public Service Authority, P. O. Box 307, Boydton, Virginia 23917, telephone 434-738-6191.

BASIC FINANCIAL STATEMENTS

Exhibit A

Southside Regional Public Service Authority

Statements of Net Position

June 30, 2024 and 2023

	2024	2023
Assets and Deferred Outflows of Resources		
Assets		
Current Assets		
Cash and investments	$ 11,015,560	$ 8,851,760
Cash, restricted	1,788	1,705
Accounts receivable	289,358	386,949
Prepaid expenses	-	12,659
Total Current Assets	11,306,706	9,253,073
Noncurrent Assets		
Capital assets		
Nondepreciable assets	821,717	821,717
Depreciable assets, net	9,144,387	9,572,234
Lease assets, net	39,218	274,525
Total Noncurrent Assets	10,005,322	10,668,476
Total Assets	21,312,028	19,921,549
Deferred Outflows of Resources		
OPEB	9,619	8,310
Pension	104,318	54,636
Total Deferred Outflows of Resources	113,937	62,946
Total Assets and Deferred Outflows of Resources	$ 21,425,965	$ 19,984,495
Liabilities, Deferred Inflows of Resources, and Net Position		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 33,030	$ 64,860
Current portion of lease liabilities	12,627	149,085
Current portion of compensated absences	6,226	5,210
Current portion of notes payable	138,097	133,097
Total Current Liabilities	189,980	352,252
Long-Term Liabilities		
Landfill closure and post-closure costs	9,183,863	8,890,477
Lease liabilities, net of current portion	-	12,627
Compensated absences, net of current portion	56,034	46,887
Net pension liability	141,741	59,129
Net OPEB liability	18,328	17,827
Notes payable, net of current portion	1,284,779	1,422,876
Total Long-Term Liabilities	10,684,745	10,449,823
Total Liabilities	10,874,725	10,802,075
Deferred Inflows of Resources		
OPEB	2,567	3,568
Pension	45,316	86,919
Refunding of debt	62,855	77,237
Total Deferred Inflows of Resources	110,739	167,724
Net Position		
Net investment in capital assets	8,569,819	8,950,791
Restricted	1,788	1,705
Unrestricted	1,868,894	62,200
Total Net Position	10,440,501	9,014,696
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 21,425,965	$ 19,984,495

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

Southside Regional Public Service Authority

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Revenues		
Landfill charges	$ 3,751,041	$ 3,270,532
Total Operating Revenues	3,751,041	3,270,532
Operating Expenses		
Salaries and wages	503,462	428,283
Fringe benefits and payroll taxes	180,212	142,990
Advertising	136	1,839
Amortization	235,307	235,308
Depreciation	643,841	648,858
Dues and permits	18,890	16,182
Electrical services	4,072	4,509
Engineering fees	176,727	83,077
Hauling of leachate	127,879	141,632
Insurance	29,516	27,589
Landfill closure costs	293,386	589,378
Office supplies	8,426	12,318
Professional fees	11,545	10,415
Miscellaneous	7,395	5,871
Recycling	18,620	11,677
Repair and maintenance	332,769	225,581
Site maintenance	65,700	88,512
Uniforms	15,083	11,976
Supplies, gas, and oil	155,457	198,771
Telephone	3,856	3,790
Total Operating Expenses	2,832,279	2,888,556
Operating Income	918,762	381,976
Non-Operating Revenues (Expenses)		
Interest income	500,931	299,798
Other income	32,091	26,398
Gain/loss on sale of asset	(3,818)	-
Interest expense and bond costs	(22,161)	(53,502)
Net Non-Operating Revenues (Expenses)	507,043	272,694
Change in Net Position	1,425,805	654,670
Total Net Position - Beginning of Year	9,014,696	8,360,026
Total Net Position - End of Year	$ 10,440,501	$ 9,014,696

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

Southside Regional Public Service Authority
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Receipts from landfill charges	$ 3,848,632	$ 3,267,566
Payments for personnel costs and fringe benefits	(683,992)	(593,982)
Payments for operating expenses	(1,288,628)	(1,433,086)
Net Cash Provided by Operating Activities	1,876,012	1,240,498
Cash Flows from Noncapital Financing Activities		
Other income	32,091	26,398
Net Cash Provided by Noncapital Financing Activities	32,091	26,398
Cash Flows from Capital and Related Financing Activities		
Adjustment on estimated closure and post-closure costs	293,386	589,378
Purchase of capital assets	(219,812)	-
Principal paid on lease liabilities	(149,085)	(144,699)
Principal paid on long-term debt	(110,000)	(948,000)
Interest paid on capital debt and lease liabilities (includes debt refunding)	(59,640)	(92,375)
Net Cash Used in Capital and Related Financing Activities	(245,151)	(595,696)
Cash Flows from Investing Activities		
Interest income	500,931	299,798
Net Cash Provided by Investing Activities	500,931	299,798
Net Increase in Cash and Cash Equivalents	2,163,883	970,998
Cash and Cash Equivalents - Beginning of Year	8,853,465	7,882,467
Cash and Cash Equivalents - End of Year	$ 11,017,348	$ 8,853,465
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	$ 918,762	$ 381,976
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	643,841	648,858
Amortization	235,307	235,308
Changes in assets and liabilities		
Receivables	97,591	(2,966)
Prepaid expenses	12,659	(12,659)
Accounts payable and accrued liabilities	(31,830)	12,690
Compensated absences	10,163	1,537
Net OPEB liability	501	1,020
Net pension liability	82,612	47,885
Deferred outflows - OPEB	(1,309)	(90)
Deferred outflows - pension	(49,682)	31,547
Deferred inflows - OPEB	(1,001)	(2,871)
Deferred inflows - pension	(41,603)	(101,737)
Net Cash Provided by Operating Activities	$ 1,876,012	$ 1,240,498

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

1 Organization, Description of the Entity, and Its Activities

The Southside Regional Public Service Authority (the "Authority") was created under the authority of the Virginia State Corporation Commission on September 21, 2004.

The Authority consists of a six-member Board made up of two members from each locality for a term of four years. The Board operates independently of the localities.

2 Significant Accounting Policies

Financial Statement Presentation

The financial statements of the Southside Regional Public Service Authority have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the Authority's accounting policies are described below:

Basic Financial Statements

Management's Discussion and Analysis – the financial statements are required to be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Enterprise Fund Financial Statements

Statement of Net Position – The Statement of Net Position is designed to display financial position of the Authority. Governments will report all capital assets in the Statement of Net Position and will report depreciation expense – the cost of "using up" capital assets – in the Statement of Revenues, Expenses, and Changes in Net Position. The net position of a government will be broken down into three categories – 1) net investment in capital assets, 2) restricted, and 3) unrestricted.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting under which revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred through the receipt of goods and services. All supplies and materials are expensed when purchased and fixed assets are capitalized and depreciated over their estimated useful lives.

Capital Assets

Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets.

The Authority has recorded lease assets as a result of implementing GASB 87. The lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The lease assets are amortized on a straight-line basis over the life of the related lease.

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.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Authority will compensate the employees for the benefits through paid time off or some other means.

Deferred Outflows/Inflows of Resources

The Statement of Financial Position includes a separate section for deferred outflows of resources. This represents the usage of net position applicable to future periods and will be recognized as expenditures in the future period to which it applies. This category also includes amounts related to pensions and OPEB for certain actuarially determined differences projected and actual investment earnings.

The Statement of Financial Position also includes a separate section for deferred inflows of resources. This represents an acquisition of net position applicable to future periods and will not be recognized as revenue in the future period to which it applies. Currently, this category includes refunding of debt, amounts related to pensions and OPEB for certain actuarially determined differences between projected and actual experience, and lease deferrals.

Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represent capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Net Position Flow Assumptions

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

Pensions

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

Group Life Insurance

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 fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Adoption of New GASB Statements

The Authority adopted the following GASB statements during the year ended June 30, 2024:

In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to 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. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Authority.

In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The objective of this Statement is to 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. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Authority.

3 Deposits and Investments

Deposits

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

Investments

Statues authorize the Authority to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, the State Treasurer’s Local Government Investment Pool (LGIP), and the State Non-Arbitrage Program (SNAP).

The Authority does not have a formal investment policy.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Authority does not have custodial credit risk policies for investments.

Interest Rate Risk

Through its investment policy, the Authority manages its exposure to fair value losses arising from increasing interest rates by limiting the duration of its investment portfolio. As of June 30, investments held in the portfolio can be liquidated daily.

Concentration of Credit Risk

The Authority places no limit on the amount the Treasurer may invest in any one issuer. 100 percent of the Authority’s investments are in the Local Government Investment Pool.

The following is a summary of cash and investments:

Asset Type	Balance June 30, 2024
Deposit accounts	$ 875,523
Investments	
Local Government Investment Pool	10,141,825
Total Cash and Investments	$ 11,017,348

The following is a summary and reconciliation of the pooled cash and investments at June 30, 2024:

Cash and investments	$ 11,015,560
Restricted cash	1,788
Total	$ 11,017,348

4 Amount of Allowance for Uncollectible Accounts

The Authority calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. Management estimates no allowance was required for the year ended June 30, 2024.

5 Capital Assets

The schedule below shows the breakdown of capital assets by category at June 30, 2024:

	Balance July 1, 2023	Increase	Decrease	Balance June 30, 2024
Land	$ 821,717	$ -	$ -	**$ 821,717**
Land improvements	12,023,030	-	-	**12,023,030**
Buildings and improvements	396,530	-	-	**396,530**
Equipment and vehicles	2,119,510	276,812	(197,248)	**2,199,074**
Total Capital Assets	15,360,787	276,812	(197,248)	**15,440,351**
Less: Accumulated depreciation	4,966,836	643,841	(136,430)	**5,474,247**
Net Capital Assets	$ 10,393,951	$ (367,029)	$ (60,818)	**$ 9,966,104**

Capital assets of the Authority are stated at cost. Depreciation of the cost of capital assets is provided on a straight-line basis over their estimated useful lives as follows:

Land improvements	25 years
Buildings and improvements	40 years
Equipment and vehicles	5 to 10 years

Lease asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Lease assets				
Equipment	$ 725,532	$ -	$ -	**$ 725,532**
Less: accumulated amortization for				
Equipment	451,007	235,307	-	**686,314**
Lease assets, net	$ 274,525	$ (235,307)	$ -	**$ 39,218**

6 Long-Term Debt

Annual requirements to amortize long-term debt and related interest are as follows:

Details of Long-Term Indebtedness	Balance July 1, 2023	Increase	Decrease	Balance June 30, 2024	Due Within One Year
Solid Waste Revenue Refunding Bond, Series 2016, $1,875,000 issued May 25, 2016 with Virginia Resources Authority; interest ranging from 3.813% to 5.125% payable semiannually over 16 years maturing October 2032.	$ 1,325,000	$ -	$ (110,000)	**$ 1,215,000**	$ 115,000
Unamortized Premium on Bond 2016 Series	230,973	-	(23,097)	**207,876**	23,097
Landfill Closure and Post-closure Costs	8,890,477	293,386	-	**9,183,863**	-
Compensated Absences	52,097	25,702	(15,539)	**62,260**	6,226
Total Long-Term Debt	$ 10,498,547	$ 319,088	$ (148,636)	**$ 10,668,999**	$ 144,323

Annual requirements to amortize long-term debt and related interest are as follows:

Year(s) Ended June 30,	Enterprise Fund Principal	Enterprise Fund Interest
2025	$ 115,000	$ 51,072
2026	120,000	45,250
2027	120,000	39,475
2028	125,000	33,772
2029	140,000	28,056
2030-2033	595,000	50,778
Total	1,215,000	$ 248,403
Add: Unamortized Premium on 2016 Bond	207,876	
Landfill Closure and Post-Closure Costs	9,183,863	
Compensated Absences	62,260	
Total Long-Term Debt	$ 10,668,999	

Advance Refunding

The Authority issued $1,875,000 of General Obligation Bonds, Series 2016. The net proceeds of $2,212,986 (after issuance costs of $31,569, plus premium of $369,555) were used to advance refund various series bonds with a total principal amount of $2,160,000. The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the Authority's liabilities. The reacquisition price was less than the net carrying amount of the old debt by $210,182. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 16 years by $499,398 and resulted in an economic gain of $417,404. This is reported as a Deferred Inflow of Resources on the Authority's Statement of Net Position.

Details of Refunding of Debt	Balance July 1, 2023	Increase	Decrease	Balance June 30, 2024	Due Within One Year
2018 Refunding of Debt	$ 77,237	$ -	$(14,382)	**$ 62,855**	$ 12,923

7 Leases

Lessee Arrangements

Lease agreements resulting in lease liabilities for the Authority are summarized as follows:

Description	Lessor	Asset Type	Original Lease Date	Original Payment Terms	Payment Amount	Interest Rate	Balance June 30, 2024
826K Landfill Compactor	Caterpillar Financial	Equipment	8/11/2021	36	$12,657.35/month	2.99%	$ 12,627

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Lease Liabilities	$ 161,712	$ -	$ (149,085)	**$ 12,627**	$ 12,627

Annual requirements to amortize the long-term obligation and related interest are as follows:

Fiscal Year	Principal	Interest
2025	$ 12,627	$ 31
Totals	$ 12,627	$ 31

Lease Expense	Year Ending June 30, 2024
Amortization expense by class of underlying asset	
Equipment	$ 235,308
Total amortization expense	235,308
Interest on lease liabilities	2,432
Total	$ 237,740

8 Contingent Liabilities (Including Federally Assisted Programs – Compliance Audits)

If applicable, federal programs in which the Authority participates were audited in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the requirements of the Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

9 Landfill Obligation

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

The Authority recognizes the estimated closure and post-closure costs of $9,183,863. These amounts are based on what it would cost to perform all closure care as of June 30, 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The Authority is paying these costs on an annual pay-as-you-go basis.

10 Related Parties

The following schedule presents significant transactions between the Authority and its jointly governed localities during the year ended June 30, 2024:

Locality	Services Rendered	Total Amount Charged in FY24	Total Amount Paid in FY24 Related to FY24	Total Amount Paid in FY24 Related to PY	Amount Accrued and Unpaid
Mecklenburg County	Landfill charges	$ 823,583	$ 759,597	$ 69,652	$ 63,986
Halifax County	Landfill charges	970,919	897,598	180,478	73,321
Charlotte County	Landfill charges	185,389	155,734	15,744	29,655

11 Compensated Absences

Each Authority employee earns sick leave at the rate of one day per month. Vacation pay begins with one day per month and increases with length of service. Upon favorable termination, an employee who has been employed with the Authority for a minimum of (5) five years, and who has accumulated up to 240 hours of sick leave will be reimbursed for the accumulated leave. Any accumulated leave over 240 hours shall be un-reimbursable and forfeited by the employee. Upon separation, an employee shall receive payment for annual leave up to the maximum accrual rate. Payment shall be calculated using the employee's base hourly rate of pay at the time of separation. In the case of the death of an employee, the unused annual leave credit shall be paid to the employee's estate. The Authority has outstanding accrued compensated absences totaling $62,260.

12 Pension

Plan Description

All full-time, salaried permanent (professional) employees of the Political Subdivision are automatically covered by a 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.

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

RETIREMENT PLAN PROVISIONS

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1	***About Plan 2***	***About the Hybrid Retirement Plan***
Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.	Same as Plan 1	The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. •The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula. •The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. •In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members	***Eligible Members***	***Eligible Members***
Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. *Hybrid Opt-In Election* VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.	Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. *Hybrid Opt-In Election* Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.	Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: •Political subdivision employees* •Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 - April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 **Non-Eligible Members* Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: •Political subdivision employees who are covered by enhanced benefits for hazardous duty employees Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions	***Retirement Contributions***	***Retirement Contributions***
Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Same as Plan 1.	A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit	***Service Credit***	***Service Credit***
Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Same as Plan 1.	**Defined Benefit Component:** Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **Defined Contributions Component:** Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
Vesting	***Vesting***	***Vesting***
Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	Same as Plan 1.	**Defined Benefit Component:** Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. **Defined Contributions Component:** Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make.

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. •After two years, a member is 50% vested and may withdraw 50% of employer contributions. •After three years, a member is 75% vested and may withdraw 75% of employer contributions. •After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution not required, except as governed by law.
Calculating the Benefit	***Calculating the Benefit***	***Calculating the Benefit***
The Basic Benefit is determined using the average final compensation, service credit, and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	See definition under Plan 1.	**Defined Benefit Component:** See definition under Plan 1. **Defined Contribution Component:** The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation	***Average Final Compensation***	***Average Final Compensation***
A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier	***Service Retirement Multiplier***	***Service Retirement Multiplier***
VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.	**VRS:** Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.	**Defined Benefit Component:** **VRS:** The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	**Sheriffs and regional jail superintendents:** Same as Plan 1.	**Sheriffs and regional jail superintendents:** Not applicable.
Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	**Political subdivision hazardous duty employees:** Same as Plan 1.	**Political subdivision hazardous duty employees:** Not applicable. **Defined Contribution Component** Not applicable.

PLAN 1	**PLAN 2**	**HYBRID RETIREMENT PLAN**
Normal Retirement Age **VRS:** Age 65. **Political subdivisions hazardous duty employees:** Age 60.	***Normal Retirement Age*** **VRS:** Normal Social Security retirement age. **Political subdivisions hazardous duty employees:** Same as Plan 1.	***Normal Retirement Age*** **Defined Benefit Component:** **VRS:** Same as Plan 2. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility **VRS:** Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. **Political subdivisions hazardous duty employees:** Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	***Earliest Unreduced Retirement Eligibility*** **VRS:** Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equal 90. **Political subdivisions hazardous duty employees:** Same as Plan 1.	***Earliest Unreduced Retirement Eligibility*** **Defined Benefit Component:** **VRS:** Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equal 90. **Political subdivisions hazardous duty employees:** Not applicable. **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility **VRS:** Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. **Political subdivisions hazardous duty employees:** Age 50 with at least five years of service credit.	***Earliest Reduced Retirement Eligibility*** **VRS:** Age 60 with at least five years (60 months) of service credit. **Political subdivisions hazardous duty employees:** Same as Plan 1.	***Earliest Reduced Retirement Eligibility*** **Defined Benefit Component:** **VRS:** Age 60 with at least five years (60 months) of service credit. **Political subdivisions hazardous duty employees:** Not applicable **Defined Contribution Component:** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. *Eligibility:* For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	***Cost-of-Living Adjustment (COLA) in Retirement*** The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. *Eligibility:* *Same as Plan 1*	***Cost-of-Living Adjustment (COLA) in Retirement*** **Defined Benefit Component:** Same as Plan 2 **Defined Contribution Component:** Not applicable *Eligibility:* *Same as Plan 1 and Plan 2*

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Exceptions to COLA Effective Dates: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	*Exceptions to COLA Effective Dates:* Same as Plan 1	*Exceptions to COLA Effective Dates:* Same as Plan 1 and Plan 2
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted.	***Disability Coverage*** Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.	***Disability Coverage*** Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts towards vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	***Purchase of Prior Service*** Same as Plan 1	***Purchase of Prior Service*** **Defined Benefit Component:** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. **Defined Contribution Component:** Not applicable

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	4
Inactive members:	
Vested inactive members	1
Non-vested inactive members	1
LTD	-
Inactive members active elsewhere in VRS	2
Active members	6
Total covered employees	14

Contributions

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

If the employer used the certified rate: Southside Regional Public Service Authority's contractually required employer contribution rate for the year ended June 30, 2024 was 10.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from Southside Regional Public Service Authority were $43,652 and $35,761 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Southside Regional Public Service Authority, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2022 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, 2023.

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

Mortality rates:

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

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

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

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

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

Mortality Improvement:
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, 2022, 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to 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
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Inflation			2.50%
Expected arithmetic nominal return*			8.25%

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	$ 1,731,020	$ 1,671,891	$ 59,129
Changes for the Year			
Service cost	38,766	-	38,766
Interest	116,080	-	116,080
Benefit changes	-	-	-
Assumption changes	-	-	-
Differences between expected and actual experience	85,207	-	85,207
Contributions - employer	-	34,615	(34,615)
Contributions - employee	-	17,043	(17,043)
Net investment income	-	106,811	(106,811)
Benefit payments, including refunds	(100,172)	(100,172)	-
Administrative expenses	-	(1,071)	1,071
Other changes	-	43	(43)
Net Changes	139,881	57,269	82,612
Balances at June 30, 2023	$ 1,870,901	$ 1,729,160	$ 141,741

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of Southside Regional Public Service Authority using the discount rate of 6.75%, as well as what Southside Regional Public Service Authority's net pension 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:

	1.00% Decrease (5.75)	Current Discount Rate (6.75)	1.00% Increase (7.75)
Political subdivision's Net Pension Liability	$ 392,924	$ 141,741	$ (66,747)

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

For the year ended June 30, 2024, Southside Regional Public Service Authority recognized pension expense of $33,833. At June 30, 2024 Southside Regional Public Service Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	58,910	$	19,775
Change in assumptions		1,756		-
Net difference between projected and actual earnings on pension plan investments		-		25,541
Employer contributions subsequent to the measurement date		43,652		-
Total	$	104,318	$	45,316

$43,652 reported as deferred outflows of resources related to pensions resulting from Southside Regional Public Service Authority's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,		
2025	$	(7,777)
2026		(8,057)
2027		30,310
2028		874
2029		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

13 Other Post-Employment Benefits - Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program 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 Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement: • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City Schools Board Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.
Benefit Amounts The benefits payable under the Group Life Insurance Program have several components. • *Natural Death Benefit:* – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • *Accidental Death Benefit:* – The accidental death benefit is double the natural death benefit. • *Other Benefit Provisions:* – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: Accidental dismemberment benefit Safety belt benefit Repatriation benefit Felonious assault benefit Accelerated death benefit option
Reduction in Benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program 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.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,254 as of June 30, 2024.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program 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, 2024 was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the Group Life Insurance Program from the entity were $6,055 and $5,094 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session and is classified as a special employer contribution. Our proportionate share is reflected in the fringe benefits line item of our financial statements.

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, 2024, the participating employer reported a liability of $27,168 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was .05094% as compared to .04935% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of $1,251. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,831	$ 556
Net difference between projected and actual earnings on GLI OPEB program investments	-	737
Change in assumptions	392	1,270
Changes in proportion	1,341	4
Employer contributions subsequent to the measurement date	6,055	-
Total	$ 9,619	$ 2,567

$6,055 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30,	
2025	$ 284
2026	(353)
2027	556
2028	229
2029	281
Thereafter	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

Mortality rates – Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

Pub-2010 Amount Weighted General 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, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to 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
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program 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, 2023, NOL amounts for the Group Life Insurance Program are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 3,907,052
Plan Fiduciary Net Position	2,707,739
GLI Net OPEB Liability (Asset)	$ 1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

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.

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a lognormal 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%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
Inflation			2.50%
Expected arithmetic nominal return*			8.25%

** The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.*

On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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, 2023, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	1.00% Increase (5.75%)	Current Discount Rate (6.75%)	1.00% Decrease (7.75%)
State Agency's Proportionate Share of the Group Life Insurance Program Net OPEB Liability	$ 27,168	$ 18,328	$ 11,181

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

14 Upcoming Pronouncements

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of the 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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter

15 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2024 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through October 4, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

Southside Regional Public Service Authority

Schedule of Changes in the Political Subdivision's Net Pension Liability
and Related Ratios

For the Plan Years Ended June 30 (in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$ 38,766	$ 31,655	$ 30,603	$ 31,688	$ 27,227	$ 28,132	$ 27,743	$ 27,335	$ 27,327	$ 27,154
Interest	116,080	114,995	105,880	98,868	94,035	89,897	87,517	87,120	83,812	79,539
Changes in benefit terms	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	85,207	(53,044)	(7,886)	41,666	22,181	5,901	(12,182)	(49,023)	(9,083)	-
Changes of assumptions	-	-	45,667	-	43,552	-	(10,341)	-	-	-
Benefit payments	(100,172)	(69,116)	(72,648)	(64,043)	(67,227)	(62,414)	(55,049)	(64,495)	(45,088)	(46,213)
Net change in total pension liability	139,881	24,490	101,616	108,179	119,768	61,516	37,688	937	56,968	60,480
Total pension liability - beginning	1,731,020	1,706,530	1,604,914	1,496,735	1,376,967	1,315,451	1,277,763	1,276,826	1,219,858	1,159,378
Total pension liability - ending (a)	$1,870,901	$ 1,731,020	$1,706,530	$1,604,914	$1,496,735	$1,376,967	$1,315,451	$1,277,763	$1,276,826	$1,219,858
Plan fiduciary net position										
Contributions - employer	$ 34,615	$ 33,260	$ 31,042	$ 25,810	$ 23,417	$ 23,459	$ 22,794	$ 31,865	$ 30,578	$ 31,382
Contributions - employee	17,043	15,386	14,338	14,314	13,934	12,555	12,365	12,913	11,602	11,762
Net investment income	106,811	(1,913)	368,826	25,888	85,717	90,767	135,682	19,150	49,330	147,136
Benefit payments	(100,172)	(69,116)	(72,648)	(64,043)	(67,227)	(62,414)	(55,049)	(64,495)	(45,088)	(46,213)
Administrator charges	(1,071)	(1,050)	(919)	(880)	(857)	(790)	(786)	(700)	(671)	(787)
Other	43	38	35	(31)	(54)	(78)	(121)	(8)	(11)	9
Net change in plan fiduciary net position	57,269	(23,395)	340,674	1,058	54,930	63,499	114,885	(1,275)	45,740	143,289
Plan fiduciary net position - beginning	1,671,891	1,695,286	1,354,612	1,353,554	1,298,624	1,235,125	1,120,240	1,121,515	1,075,775	932,486
Plan fiduciary net position - ending (b)	$1,729,160	$ 1,671,891	$1,695,286	$1,354,612	$1,353,554	$1,298,624	$1,235,125	$1,120,240	$1,121,515	$1,075,775
Political subdivision's net pension liability - ending (a-b)	$ 141,741	$ 59,129	$ 11,244	$ 250,302	$ 143,181	$ 78,343	$ 80,326	$ 157,523	$ 155,311	$ 144,083
Plan fiduciary net position as a percentage of the total Pension liability	92.42%	96.58%	99.34%	84.40%	90.43%	94.31%	93.89%	87.67%	87.84%	88.19%
Covered payroll	$ 388,882	$ 338,125	$ 327,786	300,702	$ 286,732	$ 248,659	$ 257,985	$ 252,849	$ 246,167	$ 240,132
Political subdivision's net pension liability as a percentage of covered payroll	36.45%	17.49%	3.43%	83.24%	49.94%	31.51%	31.14%	62.30%	63.09%	60.00%

Southside Regional Public Service Authority

Schedule of Employer Contributions

Political Subdivisions Retirement Plan

For the Years Ended June 30, 2015 through 2024

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	**$ 47,290**	**$ 47,290**	**$ -**	**$ 449,499**	**10.52%**
2023	35,761	35,761	-	388,882	9.20%
2022	34,182	34,182	-	338,125	10.11%
2021	32,280	32,280	-	327,786	9.85%
2020	25,394	25,394	-	300,702	8.44%
2019	24,450	24,450	-	286,732	8.53%
2018	22,032	22,032	-	248,659	8.86%
2017	23,941	23,895	46	257,985	9.26%
2016	33,578	33,452	126	252,849	13.23%
2015	N/A	N/A	N/A	N/A	N/A

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

For Reference Only:

Column 1 - Employer contribution rate multiplied by the employer's covered payroll.

Column 2 - Employer contributions as referenced in Covered Payroll & Contributions report on VRS website.

Column 4 - Employer's covered payroll amount for the fiscal year.

Southside Regional Public Service Authority

Notes to Required Supplementary Information

For the Year Ended June 30, 2024

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to 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
Line of Duty Disability	No change
Discount Rate	No change

Southside Regional Public Service Authority

Schedule of Employer's Share of Net OPEB Liability
Group Life Insurance Program
For the Measurement Dates of June 30, 2017 through 2023

	2023	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability (Asset)	**0.05094%**	0.04935%	0.04812%	0.04797%	0.04536%	0.04518%	0.04504%
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	**$ 18,328**	$ 17,827	$ 16,807	$ 24,016	$ 22,140	$ 20,580	$ 20,340
Employer's Covered Payroll	**$388,882**	$ 338,125	$327,786	$300,702	$286,732	$248,659	$257,985
Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	**4.71%**	5.27%	5.13%	7.99%	7.72%	8.28%	7.88%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	**69.30%**	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years.
Since 2023 is the seventh year of presentation, only seven years of data is available. However, additional years will be included as they become available.

For Reference Only

The Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability for the VRS Group Life Insurance Program for each year is presented on pages 130 and 131 of the VRS 2023 Annual Report.

Southside Regional Public Service Authority

Schedule of Employer Contributions

Group Life Insurance OPEB Plan

For the Years Ended June 30, 2015 through 2024

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2024	**$ 6,055**	**$ 6,055**	**$ -**	**$ 449,499**	**1.35%**
2023	5,094	5,094	-	388,882	1.31%
2022	4,429	4,429	-	338,125	1.31%
2021	4,294	4,294	-	327,786	1.31%
2020	3,939	3,939	-	300,702	1.31%
2019	3,756	3,756	-	286,732	1.31%
2018	3,257	3,257	-	248,659	1.31%
2017	3,380	3,380	-	257,985	1.31%
2016	3,009	3,009	-	252,848	1.19%
2015	2,929	2,929	-	246,167	1.19%

For Reference Only:

Column 1 - Employer contribution rate multiplied by the employer's covered payroll.

Column 2 - Employer contributions as referenced in Covered Payroll & Contributions report on VRS website.

Column 4 - Employer's covered payroll amount for the fiscal year.

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 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, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to 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
Line of Duty Disability	No change
Discount Rate	No change

OTHER INFORMATION

Southside Regional Public Service Authority

Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Solid Waste Revenue Bonds

Fiscal Year	Gross Revenue[1]	Less Operating Expenses[2]	Net Revenues Available for Debt Service	Debt Service Principal	Debt Service Interest	Coverage
2015	$ 2,627,218	$ 803,448	$ 1,823,770	$ 1,004,394	$ 164,873	1.56
2016	2,751,297	893,628	1,857,669	1,041,743	129,283	1.59
2017	2,905,678	999,663	1,906,015	3,188,641	92,196	0.58
2018	3,002,840	1,840,677	1,162,163	253,648	165,416	2.77
2019	3,106,545	1,208,399	1,898,146	1,072,091	221,073	1.47
2020	3,073,119	1,162,391	1,910,728	1,135,125	186,252	1.45
2021	3,270,532	1,650,320	1,620,212	948,000	92,375	1.56
2022	3,312,183	1,161,920	2,150,263	1,080,785	122,422	1.79
2023	3,570,330	1,415,012	2,155,318	1,092,699	92,375	1.82
2024	**4,251,972**	**1,659,745**	**2,592,227**	**259,085**	**59,640**	**8.13**

[1]Operating revenues and interest income
[2]Net of depreciation, amortization and landfill closure costs

COMPLIANCE

Creedle Jones & Associates

A Professional Corporation

Robin B. Jones, CPA, CFP
Kimberly W. Jackson, CPA

Sherwood H. Creedle, Founder

Members of
American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants

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 Board of Directors
Southside Regional Public Service Authority
Boydton, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Southside Regional Public Service Authority, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Southside Regional Public Service Authority's basic financial statements, and have issued our report thereon dated October 4, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

P. O. Box 487
828 N. Mecklenburg Avenue
South Hill, Virginia 23970
434-447-7111 • FAX: 434-447-5793
www.cja-cpa.com

Report on Compliance and Other Matters

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

Purpose of this Report

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

Creedle, Jones & Associates, P.C.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
October 4, 2024