

**Region 2000 Services Authority
Meeting Agenda
February 2, 2026, 2:00 p.m.**



**CVPDC Offices
828 Main Street, 12th Floor, Lynchburg, VA**

Electronic connection: <https://us02web.zoom.us/j/83955268603?pwd=UHb81GEobIVptU98Hnripu7BHdtW8f.1>

Dial In: 301-715-8592

Meeting ID: 839 5526 8603

Passcode: 995477

- 1) Welcome Greg Patrick, Chair
- 2) Public Comment.....Chair
Speakers are requested to limit their remarks to three (3) minutes each and to those matters that are within the scope and authority of the Region 2000 Services Authority. The Authority may elect to extend this time period via approval of a majority of its members. Please contact Hannah Mitchell (434-845-3491 or communications@cvpdc.org) to reserve a spot during the public comment period. The Chair may also take comments from individuals without pre-registration.
- 3) Meeting Minutes.....Chair
 - a) Called Meeting, May 28, 2025 (page 4)
 - b) Regular Meeting, June 25, 2025 (page 6)
 - c) Regular Meeting, October 22, 2025 (page 9)
- 4) Fiscal Year 2025 Governance Letter (page 34) & Financial Statements (page 36).. Robinson, Farmer, Cox Associates
- 5) Annual Leave Adjustments Related to 2025 Staff Shortage Chair & Staff
- 6) Financial Report, FY26 Quarters 1-2 (page 13), & Fiscal Year 2027 Budget Consideration (page 23) Chair & Staff
- 7) Organizational Reports.....Staff
 - a) Director's Report Clarke Gibson
 - i. Odor Complaint Report
 - ii. Tonnage Report (page 33)
- 8) 2025 Meeting Schedule..... Chair & Staff
 - a) Regular Meetings: April 22, June 24, and October 28, 2026; and January 27, 2027
- 9) Adjournment..... Chair

Region 2000 Services Authority
Meeting Agenda Brief Sheet
February 2, 2026, 2:00 p.m.



1) Welcome Greg Patrick, Chair

2) Public Comment.....Chair

3) Meeting Minutes.....Chair

- a) Called Meeting, May 28, 2025
- b) Regular Meeting, June 25, 2025
- c) Regular Meeting, October 22, 2025

Minutes for each for past three meetings are up for approval. Turnover at the recorder's seat delayed preparation. Office Manager Hannah Mitchell joined staff in November 2025 and is doing a great job!

The request of the board is approval of each set of minutes.

4) Fiscal Year 2025 Governance Letter & Financial Statements Robinson, Farmer, Cox Associates

Zach Hipes, Senior Accountant, will present RFCA's findings in its annual audit of Region 2000 finances. RFCA staff note that its financial statements and governance letter have yet to be reviewed by their quality control division, a step in process as of this writing. Lead staff does not expect changes during QC; any changes made will be provided to the board on or before its April meeting.

The request of the board is conditional approval of the financial statements as presented, subject to the condition that RFCA's quality control step is successfully completed. Alternatively, the board may choose to defer action until its April meeting.

5) Annual Leave Adjustments Related to 2025 Staff Shortage Chair & Staff

Two long-tenured staff members worked long hours due to staff losses in the first half of 2025 and then to help train new personnel in the second half of the calendar year. These two employees could not, therefore, utilize all of the vacation time they accrued by December 31, 2025. Organization policy limits the total hours an employee can carry over to the new year. As indicated in the quarterly financial report, personnel expenditures stood at 47 percent of the 12-month budget as of December 31, 2025, due to vacancies.

The request of the board is to pay out unused leave balances for two employees in the total amount of \$1,692.40.

6) Financial Report, FY26 Quarters 1-2, & Fiscal Year 2027 Budget Consideration
..... Chair & Staff

Region 2000 Services Authority bylaws provide that staff should provide the board with its first draft of a budget by March 1 of each year. This facilitates a timeline by which the board could adopt a resolution authorizing a public hearing for a contemplated increase in the tipping fee, as required by the Code of Virginia.

Staff's draft 2027 budget recommends NO increase in tipping fees. The board will thus have two meetings – April and June – to deliberate its 2027 budget.

The request of the board is to provide feedback on the draft budget. No action is required at this time.

- 7) Organizational Reports.....Staff
 - a) Director's Report Clarke Gibson
 - i. Odor Complaint Report
 - ii. Tonnage Report

Organizational reports are informational only. No action of the board is required.

- 8) 2025 Meeting Schedule Chair & Staff
- The board's meeting schedule is quarterly, at 2:00 p.m. on the fourth Wednesday of the first month in the quarter, except that the third meeting is moved from July to June for utility in reviewing the annual budget. The next four meeting dates are proposed as follows: April 22, June 24, and October 28, 2026; and January 27, 2027.

The request of the board is adoption of a meeting schedule for the next 12 months.

- 9) Adjournment Chair



Region 2000 Services Authority
828 Main Street, 12th Floor
Lynchburg, VA 24504
Phone: (434) 845-3491
Fax: (434) 845-3493

Date: May 28, 2025; 2:00 PM

Location: CVPDC Offices
828 Main Street, 12th Floor.
Lynchburg, Virginia 24504

DRAFT Meeting Minutes

Members Present:

Greg Patrick, City of Lynchburg
Frank Rogers, Campbell County
Candy McGarry, Nelson County
Susan Adams, Appomattox County

Staff Present:

Alec Brebner
Sandy Dobyms
Patti Lassiter
Clarke Gibson
Larry Hall (virtual)

Others:

Brent Perdue, Burns & McDonnell (virtual)
Allison Eccarius, Burns & McDonnell (virtual)
William (Bill) Hefty, legal counsel (virtual)
Jon Hardie, Campbell County Supervisor (virtual)

1. Welcome

At 2:03 p.m., Chairman Greg Patrick welcomed and thanked everyone for coming to the special meeting to discuss personnel retention and compensation study options and recommendations.

2. Personnel Retention and Compensation Study Chair & Staff

The chairman asked Alec to steer the meeting through the presentations and options. Alec introduced Brent Perdue and Allison Eccarius from Burns and McDonald, who developed the Retention and Compensation Study.

Brent gave a brief recap of the labor retention and compensation study by Burns and McDonnell for the Region 2000 Service Authority. The components include:

1. Operations overview
2. Retention strategies
3. Market adjustment scenarios
4. Retention costs analysis
5. Cost comparisons and financial impacts
6. Action items discussion

The consultants reported a clear need to improve worker retention with the landfill closing in 2029. Employees are concerned about job stability and career growth. Since the last Region 2000 board meeting, three employees—two landfill operators and one environmental

technician—resigned, highlighting the urgency of this issue. The landfill cannot operate without skilled staff, and currently, only two operators have over two years of experience.

For labor retention strategies, the consultants considered the following:

- Salary market adjustments with additional scenarios
- Annual bonuses - Sign-on bonuses for recruitment
- Increased health insurance coverage
- Education reimbursement stipends
- Sick pay payout incentives
- A final bonus package for employees who stay until closure

Mr. Perdue explained the need to discuss confidential compensation information.

3. Closed Session..... Chair

Greg asked for a motion for the Region 2000 Services Authority board to enter into closed session to discuss the salaries of specific employees of the Authority for retention and compensation pursuant to Virginia Code §2.2-3711.A.1. Susan made the motion, and Candy seconded it. The motion passed 4-0. Members of the public participating remotely were excused, and the board entered into closed session at 2:30 p.m.

At 3:30 p.m., Susan moved that the board return to open session pursuant to Section 2.2-3712.D and certify that only those business matters lawfully identified in the motion to go into closed session and exempt from the open meeting requirements of the Freedom of Information Act were heard, discussed, or considered in a closed session. Candy seconded the motion. The chairman took a roll-call vote. All four members of the Authority board voted in the affirmative in a roll call vote. The motion passed, and open session resumed.

Greg asked for a motion to approve a personnel retention and compensation study effective July 1, 2025, which includes salary increases of 10-30% for all Region 2000 employees, a retention bonus program over four years, double time pay for extended landfill work, and healthcare stipends increasing from \$500 in 2026 to \$2,000 in 2029. Greg further asked that such a motion also include a sick leave payout of \$20 per accrued sick leave, capped at \$5,000. Candy made the motion; Susan seconded it. The motion passed on a 3-1 vote with Frank opposed.

4. Adjournment..... Chair

Candy McGarry moved for adjournment, and Susan Adams seconded it. All were in favor, and the meeting ended at 3:41 p.m.



Region 2000 Services Authority
828 Main Street, 12th Floor
Lynchburg, VA 24504
Phone: (434) 845-3491
Fax: (434) 845-3493

Date: June 25, 2025; 2:00 PM

Location: CVPDC Offices
828 Main Street, 12th Floor.
Lynchburg, Virginia 24504

DRAFT Meeting Minutes

Members Present:

Greg Patrick, City of Lynchburg
Candy McGarry, Nelson County
Susan Adams, Appomattox County

Staff Present:

Alec Brebner
Sandy Dobyns
Clarke Gibson

Others:

David Garrett (virtual)
Sandy Glass
Larry Hall (virtual)
John Hardie
William (Bill) Hefty (virtual)
Elliott Ingle (virtual)
Julie Williams-Daves (virtual)

1. Welcome

At 2:00 p.m., Chairman Greg Patrick welcomed and thanked everyone for coming.

2. Public Comment

Patrick opened the floor to public comment.

Jon Hardie, 601 Calohan Road, expressed concern about the pay increase for Authority employees, as it raises wages beyond those of public employees in the surrounding localities. He also spoke about the budget, stating it was artificial and unfair to the people of Campbell County.

Sandy Glass stated that the board is operating out of compliance with Virginia Code 15.2-5113 of the Virginia Waste Water Act. She also noted an investigation regarding the Authority's 2024 auditor and expressed concern about the budget's use of excess revenue.

3. Minutes of Regular Meeting, April 23, 2025

Candy McGarry made a motion to approve the April 23, 2025, minutes. Susan Adams seconded the motion. The motion passed 3-0.

4. Public Hearing for Tipping Fee Increase

Patrick opened the public hearing at 2:09 p.m.

Hardie stated that tipping fees are low and overdue for an increase.

Glass stated that Burns and McDonald recommended raising rates in May of 2022.

Patrick closed the public hearing at 2:14 p.m.

5. Financial Report, 2025 Fiscal Year to Date, and FY2026 Budget Consideration

Clarke Gibson presented the FY2026 budget, noting that revenue and expenses are projected to increase by 11% from FY2025's budget.

Adams expressed concern about properly funding the post-closure fund. She noted that approximately 8 years ago, the board disagreed on the use of excess revenue. Gibson confirmed that the increased tipping fees align with Burns-McDonald's recommendation for fully funding post-closure requirements.

Candy McGarry moved to approve the increased tipping fee of \$34/ton for members and \$44/ton for nonmembers in FY2026. Susan Adams seconded the motion. The motion passed 3-0.

Candy McGarry moved to approve the FY26 budget of \$7,924,682 as presented, including the newly adopted tipping fees. Susan Adams seconded the motion. The motion passed 3-0.

6. Solid Waste Management Planning

Gibson reported that every five years, a Solid Waste Management Planning Unit must update the Solid Waste Management Plan and submit it to DEQ. Authority members may remain as a unit post-closure, but each must establish individual means of solid waste disposal.

Patrick expressed interest in remaining as a unit and requested that David Garrett research the requirements for leaving and joining.

Upon questioning, Garrett stated that a solid waste disposal method must include a written statement from the county manager, finance officer, or solid waste department that clearly specifies where the waste will be disposed of. The timeline for developing this plan is 4-6 weeks from the meeting date. He clarified that counties may list several facilities as potential recipients and later amend the plan.

7. Organizational Reports

- Director's Report
 - Odor Complaint Report
Gibson noted receiving one odor complaint since the April 23rd meeting.
 - Tonnage Report:
Gibson stated that tonnage is trending upward and that this was considered in the last capacity study.

8. Virtual Meeting and Participation Policies

Alec Brebner stated that the policies must be renewed each year.

Candy McGarry moved to adopt the virtual meeting and participation policies as presented. Susan Adams seconded the motion. The motion passed 3-0.

9. Election of Officers for Fiscal Year 2026

The board discussed retaining the chair and treasurer.

Greg Patrick moved that Susan Adams serve as Vice-Chair. Adams responded that the Authority already has a vice-chair. The motion died for lack of a second. Patrick proposed postponing the agenda item until the next meeting.

10. Other Business

The board discussed post-closure liability. Gibson noted that the member use agreement states that each locality must pay its share of continued expenses if the Authority does not have the funds. Upon questioning, he clarified that the share of funds is based on the percentage of disposal tonnage and that this is acceptable to DEQ.

11. Adjournment

Susan Adams moved to adjourn the meeting. Candy McGarry seconded the motion. The motion passed 3-0, and the meeting ended at 2:45.

Date Approved

Signature Attest



Region 2000 Services Authority
828 Main Street, 12th Floor
Lynchburg, VA 24504
Phone: (434) 845-3491
Fax: (434) 845-3493

Date: October 22, 2025; 2:00 PM

Location: CVPDC Offices
828 Main Street, 12th Floor.
Lynchburg, Virginia 24504

DRAFT Meeting Minutes

Members Present:

Greg Patrick, City of Lynchburg (virtual)
Frank Rogers, Campbell County
Candy McGarry, Nelson County
Susan Adams, Appomattox County

Staff Present:

Alec Brebner
Sandy Dobyns
Clarke Gibson

Others:

William (Bill) Hefty (virtual)
Bill Carwile (virtual)
Robert Stafford (virtual)
Sandy Glass

1. Welcome & Consideration of Requests for Virtual Participation

At 2:00 p.m., Frank Rogers welcomed and thanked everyone for coming.

Candy McGarry made a motion to allow virtual participation. Susan Adams seconded the motion. The motion passed unanimously.

2. Public Comment

Chairman Greg Patrick opened the floor to public comment.

Sandy Glass stated that the Virginia Board of Accountancy and the AICPA are investigating after finding an inherent violation with the performance of last year's audit. Glass noted she would update the board once it is resolved. Glass also stated that the board is in violation of the Virginia State Code and recommends that this be rectified.

3. Minutes of Regular Meeting, June 25, 2025

Alec Brebner requested a deferral of the minutes review.

4. Old Business: Election of Officers for Fiscal Year 2026

Susan Adams motioned to recommend the same slate of officers. Chairman Greg Patrick seconded the motion.

Frank Rogers moved to close nominations and approve the slate as presented. Candy McGarry seconded the motion. The motion passed unanimously.

Officers for Fiscal Year 2026 are as follows:

Chairman: Greg Patrick, City of Lynchburg

Vice-Chairman: Frank Rogers, Campbell County

Treasurer: Candy McGarry, Nelson County

Secretary: Alec Brebner, Executive Director

5. Bedford County Request to Temporarily Redirect Municipal Solid Waste to Region 2000

Brebner reported that Bedford County is requesting to redirect municipal solid waste to Region 2000 for 3-4 days. He noted that this would have minimal effect on operations, with the benefit of additional revenue.

Clarke Gibson confirmed the minimal impact. He stated that he would notify Bedford County of the board's decision. Upon questioning, Gibson explained they would charge the commercial rate.

Candy McGarry moved to approve Bedford County's request for mutual aid as presented. Frank Rogers seconded the motion. The motion passed unanimously.

6. Nelson County Request to Temporarily Redirect Municipal Solid Waste to Region 2000

Brebner presented Nelson County's request to divert an estimated 800-1,000 tons of waste away from Region 2000 for a maximum period of 40 days. Temporary redirection would save the county considerable travel time and effort.

McGarry noted that a recent festival's tonnage would partially offset the revenue loss. Upon questioning, she clarified that the member rate applied to the couple of hundred tons produced by the event. She also noted that the request is dependent upon Amherst County's approval.

Adams noted that Bedford County's temporary redirection will fill the revenue gap and that a reduction in tonnage from Nelson County will marginally prolong the life of the landfill.

Susan Adams moved to honor Nelson County's request for temporary redirection. Chairman Greg Patrick seconded the motion. The motion passed unanimously.

7. Organizational Reports

- Administration

- Audit Update

Brebner reported that the regular annual audit is underway and that he expects to have a report to present at the January meeting. He noted that the Chairman and Treasurer may expect to receive a questionnaire from the auditors.

Rogers noted Glass's earlier statement about last year's audit and asked if the auditors are aware of the issue. Brebner clarified that the auditors have not reported any such findings to him and stated that he would follow up on the investigation status.

Adams noted that the board had not received the information Glass reported. Bill Hefty, legal counsel, clarified that they are not public records but will become public once the board receives copies.

- Financial Report and Balance Sheet, FY26-Q1

Sandy Dobyons reported that the board is financially on track. She noted the updated retention study consultant service expense: \$48,000, rather than the budgeted \$35,000.

Patrick requested an update on the retention plan. Gibson reported that it was well received and that they did not lose any employees who were employed when the plan was introduced.

Rogers asked about recruitment for open environmental positions. Gibson stated that they have not filled the environmental manager role, but they hired an environmental tech who is performing well. Gibson reported that the compensation and bonuses were attractive for recruitment.

- **Administration**

- **Solid Waste Management Plan Update**

Gibson reported that the plan is underway for a draft by November. He noted that they are writing that the landfill will reach capacity in early 2029, and that members must develop their own means of solid waste disposal.

Upon questioning, Gibson clarified that the plan is due this year and will last five years. He stated that it would not preclude a regional plan. Members' updated means of disposal can be amended in the Solid Waste Management Plan if the members continue collaborating as a Solid Waste Management Planning Unit.

- **Tonnage Report**

Gibson reported that tonnage dipped in July and August and increased in September. Rogers asked if the year-to-date downward trend is of concern. Gibson assured the board that the staff will monitor trends.

Upon questioning by Patrick, Gibson clarified that the dip in tonnage resulted from commercial clients. He stated that he had not heard discussions about alternatives, but that staff will conduct further research if the trend continues.

- **Odor Report**

Gibson noted five complaints since the June meeting from two addresses.

8. Other Business

Rogers proposed that the Service Authority's assets and liabilities be transferred to Campbell County. He explained that long-term control of the facility within their jurisdiction is a primary concern. He noted this would not change the members' experience but would relieve member jurisdictions of long-term contingent liability. Upon questioning, Rogers confirmed this would dissolve the Authority.

Rogers made a motion to call a special meeting in two weeks to discuss transference to Campbell County. The motion was not seconded, and the motion failed.

Adams questioned the necessity of a rushed decision. Rogers clarified that, as some members are moving towards a transfer station, the opportunity may be negated if not considered soon.

Patrick questioned whether the county was considering expansion after the Board of Supervisors voted against it in January. Rogers confirmed the board's position and stated that if the operation were Campbell County's, future boards may decide differently. He noted that if they do, the additional landfill in the region could serve as a competitive advantage in negotiations.

Chairman Patrick requested that Rogers submit a formal request.

9. Adjournment..... Chair
Chairman Patrick entertained a motion to adjourn. Frank Rogers moved to adjourn, and Susan Adams seconded the motion. The motion passed unanimously, and the meeting ended at 2:35 p.m.

Date Approved

Signature Attest

Region 2000 Services Authority Disposal Fee Revenue

Schedule 1

FY2026 Rates
\$34/\$44

| | (A) | (B) | (C) | (D) |
|---|-------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| Tonnage | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
| Tonnage From Member Jurisdictions | | | | |
| Lynchburg | 35,336 | 15,418 | 19,918 | 56.37% |
| Campbell | 20,514 | 9,742 | 10,772 | 52.51% |
| Nelson | 10,034 | 6,203 | 3,831 | 38.18% |
| Appomattox | 5,381 | 3,079 | 2,302 | 42.77% |
| Subtotal Member Jurisdictions | 71,265 | 34,442 | 36,823 | 51.67% |
| Lynchburg Contracts & Other Waste | - | - | - | 0.00% |
| Market Rate Tonnage | 125,038 | 62,681 | 62,357 | 49.87% |
| Subtotal Contract and Market Rate | 125,038 | 62,681 | 62,357 | 49.87% |
| Subtotal Revenue Generating Tonnage | 196,303 | 97,124 | 99,179 | 50.52% |
| Other Tonnage at No Charge (inert/brush/slag) | 12,237 | 2,987 | 9,250 | 75.59% |
| Total Tonnage | 208,540 | 100,111 | 108,429 | 51.99% |

| Disposal Fee Revenue | FY2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
|-----------------------------------|------------------------------|----------------------------------|---------------------------------------|----------------------------------|
| From Member Jurisdictions | | | | |
| Lynchburg | \$ 1,201,424 | \$ 523,837 | \$ 677,587 | 56.40% |
| Campbell | \$ 697,476 | \$ 332,300 | \$ 365,176 | 52.36% |
| Nelson | \$ 341,156 | \$ 210,906 | \$ 130,250 | 38.18% |
| Appomattox | \$ 182,954 | \$ 104,739 | \$ 78,215 | 42.75% |
| Subtotal Member Jurisdictions | \$ 2,423,010 | \$ 1,171,782 | \$ 1,251,228 | 51.64% |
| Lynchburg Contracts & Other Waste | \$ - | \$ - | \$ - | 0.00% |
| Market Rate Tonnage | \$ 5,501,672 | \$ 2,757,507 | \$ 2,744,165 | 49.88% |
| Subtotal Contract and Market Rate | \$ 5,501,672 | \$ 2,757,507 | \$ 2,744,165 | 49.88% |
| Total | \$ 7,924,682 | \$ 3,929,289 | \$ 3,995,393 | 50.42% |

| | | | | |
|---------------------|--|------------|--|--|
| Investment Interest | | \$ 401,281 | | |
|---------------------|--|------------|--|--|

| Per Ton Disposal Fees | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | % Difference (C / A) |
|-----------------------------------|-------------------------------|----------------------------------|---------------------------------------|-------------------------|
| Member Disposal Fee | \$ 34.00 | \$ 34.021 | \$ (0.021) | -0.06% |
| Cost of Service (COS) Tipping Fee | \$ 34.00 | \$ 33.488 | \$ 0.512 | 1.50% |
| Market Rate | \$ 44.00 | \$ 43.992 | \$ 0.008 | 0.02% |

Region 2000 Services Authority Expenses

Schedule 2

FY2026 Rates
\$34/\$44

| | (A) | (B) | (C) | (D) |
|--|--|---|--|---|
| Expenses | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
| Personnel (Schedule 3) | \$ 2,047,298 | \$ 961,457 | \$ 1,085,841 | 53.04% |
| Landfill O & M (Schedule 4) | \$ 1,914,097 | \$ 1,205,546 | \$ 708,551 | 37.02% |
| Landfill Equipment Replacement Reserve | \$ 638,335 | \$ 588,660 | \$ 49,675 | 7.78% |
| Closure and Post-Closure Reserve Livestock Road | | \$ - | \$ - | 0.00% |
| | \$ - | \$ 8,158 | \$ (8,158) | 0% |
| O & M Reserve | \$ 207,855 | \$ - | \$ 207,855 | 0% |
| | | \$ - | \$ - | 0.00% |
| 2015 Bond Debt | | \$ - | \$ - | 0.00% |
| Phase V Funding - 2021 Bond Debt | \$ 1,561,921 | \$ 589,346 | \$ 972,575 | 62.27% |
| Internal Loan \$1,551,135.19 | \$ 413,636 | \$ - | \$ 413,636 | 100.00% |
| Annual Debt Service Subtotal | \$ 1,975,557 | \$ 589,346 | \$ 1,386,211 | 70.17% |
| Operating Expenses | \$ 6,783,142 | \$ 3,353,167 | \$ 3,429,975 | 50.57% |
| Reimbursable Personnel Costs (Schedule 5) | | \$ - | \$ - | #DIV/0! |
| Reimbursable O & M Costs (Schedule 5) | \$ (87,840) | \$ (56,951) | \$ (30,889) | 35.17% |
| Interest -operating accounts | \$ (1,000) | \$ (80) | \$ (920) | 92.00% |
| Late fees/Recycling Revenue/Fin charges/other revenues | \$ (20,000) | \$ (43,603) | \$ 23,603 | -118.02% |

| | | | | |
|--|---------------------|---------------------|---------------------|---------------|
| Net Cost of Service Operating Expense Total | \$ 6,674,302 | \$ 3,252,533 | \$ 3,421,769 | 51.27% |
|--|---------------------|---------------------|---------------------|---------------|

| | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
|----------------------------|--|---|--|---|
| | | | \$ - | 0.00% |
| | | | \$ - | 0.00% |
| Airspace Reserve to C/PC | \$ 1,250,380 | \$ 626,814 | \$ 623,566 | 49.87% |
| O & M Reserve Contribution | | | \$ - | 0.00% |
| Total Expenses | \$ 7,924,682 | \$ 3,879,347 | \$ 4,045,335 | 51.05% |

| | | | | |
|---|-------------------|------------------|-----------------|---------------|
| Total Revenue Generating Tonnage | 196,303 | 97,124 | 99,179 | 50.52% |
| Disposal Cost per Ton | \$ 34.0000 | \$ 33.488 | \$ 0.512 | 1.50% |

Schedule 2

1/16/2026 2:46 PM

2/2/2026

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Personnel

Schedule 3

| | | (A) | (B) | (C) | (D) |
|-------|---|-------------------------------|----------------------------------|--|----------------------------------|
| | Account | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
| | Solid Waste Staff | | | | |
| | | | | | |
| | Management | | | | |
| 41111 | Salaries - Solid Waste Director | \$ 179,816 | \$ 90,158 | \$ 89,658 | 49.86% |
| 41112 | Salaries-Environ Compl & Safety | \$ 81,890 | \$ 16,803 | \$ 65,087 | 79.48% |
| 41129 | Salaries-Environ Technician | | \$ 12,559 | \$ (12,559) | 0.00% |
| 41113 | Salaries-Office Manager | \$ 64,961 | \$ 32,730 | \$ 32,230 | 49.62% |
| 41114 | Salaries-Finance Associate | \$ 41,603 | \$ 20,776 | \$ 20,826 | 50.06% |
| | Management | \$ 368,269 | \$ 173,026 | \$ 195,243 | 53.02% |
| | | | | | |
| | Salaries & Wages-Operations | | | | |
| 41121 | Salaries & Wages-Operations Mgr | \$ 104,034 | \$ 52,267 | \$ 51,767 | 49.76% |
| 41123 | Salaries&Wages-Scale Operators | \$ 83,840 | \$ 42,420 | \$ 41,420 | 49.40% |
| 41124 | Salaries&Wages-Working FieldSupervisor | \$ 93,057 | \$ 46,778 | \$ 46,278 | 49.73% |
| 41125 | Salaries&Wages-Equipment Operators | \$ 473,706 | \$ 195,689 | \$ 278,017 | 58.69% |
| 41127 | Salaries&Wages- Maint Workers | \$ 50,132 | \$ 25,232 | \$ 24,900 | 49.67% |
| 41128 | Salaries&Wages-Mechanics | \$ 50,100 | \$ - | \$ 50,100 | 100.00% |
| | Operations | \$ 854,868 | \$ 362,386 | \$ 492,482 | 57.61% |
| | | | | | |
| | Salary | \$ 1,223,138 | \$ 535,412 | \$ 687,725 | 56.23% |
| | Total Salaries | \$ 1,223,138 | \$ 535,412 | \$ 687,725 | 56.23% |
| | | | | | |
| | Employee Benefits | | | | |
| 42210 | VRS-Retirement | \$ 32,786 | \$ 8,489 | \$ 24,297 | 74.11% |
| 42220 | VRS Life Insurance (1.34%) | \$ 15,025 | \$ 6,209 | \$ 8,816 | 58.67% |
| 42300 | Employer Cost-Health Insurance | \$ 178,393 | \$ 102,708 | \$ 75,685 | 42.43% |
| 42700 | Employer Cost-Worker's Comp | \$ 23,400 | \$ 25,826 | \$ (2,426) | -10.37% |
| 42100 | Employer Cost-FICA | \$ 96,119 | \$ 45,084 | \$ 51,035 | 53.10% |
| 42600 | Unemployment Insurance | \$ 35,000 | \$ - | \$ 35,000 | 100.00% |
| 41500 | Retention bonus & associated costs | \$ 128,724 | \$ 102,484 | \$ 26,240 | 20.38% |
| 42820 | Other retention costs (sign-on bonus/education) | \$ 14,000 | \$ - | \$ 14,000 | 100.00% |
| | Retention costs - health insurance stipend | \$ 9,000 | \$ - | \$ 9,000 | 100.00% |
| | Employee Benefits Subtotal | \$ 532,446 | \$ 290,800 | \$ 241,646 | 45.38% |
| | | | | | |
| | Overtime | | | | |
| 41200 | Salaries and Wages - Overtime | \$ 40,025 | \$ 32,142 | \$ 7,883 | 19.70% |
| 41300 | Part -time Salaries-Wages-Regul | \$ 87,525 | \$ 48,781 | \$ (48,781) | 0.00% |
| | Overtime Subtotal | \$ 127,550 | \$ 80,922 | \$ 46,628 | 36.56% |
| | | | | | |
| | Total Personnel Costs-Services Authority Staff | \$ 1,883,134 | \$ 907,135 | \$ 975,999 | 51.83% |
| | | | | | |
| | Local Government Council Staff | | | | |
| 43131 | Prof Services-PDC-Salaries | \$ 79,461 | \$ 26,132 | \$ 53,330 | 67.11% |
| 43132 | Prof Services-PDC-Benefits | \$ 31,236 | \$ 11,233 | \$ 20,003 | 64.04% |
| 43133 | Prof Services-PDC-Overhead | \$ 53,467 | \$ 16,958 | \$ 36,509 | 68.28% |
| | | | | | |
| | Total Personnel Costs-Region 2000 Staff | \$ 164,165 | \$ 54,322 | \$ 109,842 | 66.91% |
| | | | | | |
| | Total Personnel Costs | \$ 2,047,298 | \$ 961,457 | \$ 1,085,842 | 53.04% |

Schedule 3

2/2/2026

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Landfill Operating and Maintenance Expenses

Schedule 4

| | | (A) | (B) | (C) | (D) |
|---------|---|-------------------------------|----------------------------------|--|----------------------------------|
| Account | Operations and Maintenance Cost Type | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
| | Contractual Services | | | | |
| 43166 | Software support-Paradigm | \$ 12,000 | 11,709 | \$ 291 | 2.43% |
| 43321 | Communications M&R Service/Radio | \$ 14,240 | 11,457 | \$ 2,783 | 19.54% |
| 43313 | Building M & R Services | \$ 6,000 | 2,839 | \$ 3,161 | 52.68% |
| 43171 | Site Maintenance-Concord Turnpike | \$ - | 52,323 | \$ (52,323) | 0.00% |
| 43172 | Site Maintenance-Livestock Road | \$ 110,000 | 26,104 | \$ 83,896 | 76.27% |
| 43170 | Sedimentation Basin Cleaning | \$ - | - | \$ - | 0.00% |
| 43169 | Janitorial Services | \$ 8,580 | 3,900 | \$ 4,680 | 54.55% |
| 43110 | Med/Dental/Pharm/Lab Services | \$ - | - | \$ - | 0.00% |
| 43150 | Legal Services | \$ 30,000 | 18,701 | \$ 11,300 | 37.67% |
| 43120 | Accounting and auditing service | \$ 14,000 | 1,100 | \$ 12,900 | 92.14% |
| 43140 | Engineering/Monitoring Services-Lynchburg | \$ - | 42,956 | \$ (42,956) | 0.00% |
| 43140a | Engineering/Monitoring Services-Campbell | \$ 220,000 | \$ 141,177 | \$ 78,823 | 35.83% |
| 43141 | Professional Consulting Service | \$ 35,000 | 48,731 | \$ (13,731) | -39.23% |
| 43160 | Environmental Lab Services-Lynchburg | \$ - | - | \$ - | 0.00% |
| 43160a | Environmental Lab Services-Campbell | \$ 9,000 | \$ - | \$ 9,000 | 100.00% |
| 43200 | Temporary Help Service Fees | \$ 30,000 | 3,414 | \$ 26,586 | 88.62% |
| 43600 | Advertising | \$ 6,000 | - | \$ 6,000 | 100.00% |
| 43176 | Software Purchases-Other | \$ 3,000 | 180 | \$ 2,820 | 94.00% |
| 43167 | Pest Control services | \$ 1,000 | 514 | \$ 486 | 48.64% |
| 43168 | Investigative Services | \$ 100 | 94 | \$ 6 | 6.44% |
| 46011 | Uniform Rental Services / Clothing Allowance | \$ 11,000 | 3,317 | \$ 7,683 | 69.85% |
| 43161 | Tire Shredding Services | \$ 5,000 | 12,600 | \$ (7,600) | -152.00% |
| 43165 | Misc Contractual Services | \$ 1,000 | - | \$ 1,000 | 100.00% |
| 43177 | Website, Media & Public Communications | \$ 2,500 | 713 | \$ 1,787 | 71.47% |
| 42850 | Employee Med Exp-drug tests, ph | \$ 1,500 | 1,019 | \$ 481 | 32.04% |
| 46031 | Heavy Equipment-Outside Repair | \$ 150,000 | 177,784 | \$ (27,784) | -18.52% |
| 43173 | Mechanical M&R Services | \$ 4,000 | - | \$ 4,000 | 100.00% |
| 43121 | Payroll support services | \$ 4,000 | 1,910 | \$ 2,090 | 52.24% |
| 46017 | Software Maint Contract-Accounting | \$ 1,900 | - | \$ 1,900 | 100.00% |
| 43162 | HHW Disposal | \$ - | \$ - | | |
| 43163 | Wood Waste Grinding | \$ 10,000 | - | \$ 10,000 | 100.00% |
| | Contractual Services Subtotal | \$ 689,820 | 562,540 | \$ 127,280 | 18.45% |
| | Supplies & Materials | | | | |
| 46001 | Office Supplies/Audio Visual Supplies | \$ 6,000 | 3,055 | \$ 2,945 | 49.09% |
| 46002 | Forms & Stationary | \$ 1,000 | - | \$ 1,000 | 100.00% |
| 46005 | Custodial Supplies | \$ 2,500 | 816 | \$ 1,684 | 67.35% |
| 46033 | Apparel/Protective Wear/Personal Protective Equipment | \$ 3,000 | 978 | \$ 2,022 | 67.39% |
| 46012 | Books & Publications | \$ - | - | \$ - | 0.00% |
| 46013 | Subscriptions | \$ - | - | \$ - | 0.00% |
| 46018 | Safety Supplies | \$ 3,000 | 1,146 | \$ 1,854 | 61.81% |
| 46019 | Awards & Recognitions | \$ - | - | \$ - | 0.00% |
| 46020 | Grounds Maintenance Supplies | \$ 3,000 | 139 | \$ 2,861 | 95.37% |
| 46026 | Food & Dietary Supplies | \$ - | 1,279 | \$ (1,279) | 0.00% |
| 46022 | Minor Equipment-Tools | \$ 6,000 | 2,100 | \$ 3,900 | 65.00% |
| 46021 | Chemicals/gases | \$ 500 | - | \$ 500 | 100.00% |
| 43310 | R & M- Office | \$ - | - | \$ - | 0.00% |
| 46009 | Vehicle M&R Equipment Parts | \$ 250,000 | 147,499 | \$ 102,501 | 41.00% |
| 46007 | R&M Supplies-Building | \$ 2,500 | 62 | \$ 2,438 | 97.50% |
| 43312 | R & M-Mechanical-Materials | \$ - | - | \$ - | 0.00% |
| 46016 | Odor Control Operations & Materials | \$ 15,000 | 13,012 | \$ 1,988 | 13.25% |
| 46032 | Communications M & R Materials | \$ 2,000 | - | \$ 2,000 | 100.00% |
| 46025 | Haul Road M&R Materials | \$ 223,000 | 80,946 | \$ 142,054 | 63.70% |
| 46027 | Daily Cover/Posi-Shell | \$ 115,000 | 73,514 | \$ 41,486 | 36.07% |
| 45210 | Postal Services | \$ 2,000 | 571 | \$ 1,429 | 71.45% |
| 45220 | Messenger Services | \$ - | - | \$ - | 0.00% |
| 43500 | Printing & Binding | \$ 1,000 | - | \$ 1,000 | 100.00% |

Landfill Operating and Maintenance Expenses

Schedule 4

| | | (A) | (B) | (C) | (D) |
|---------|--|-------------------------------|----------------------------------|--|----------------------------------|
| Account | Operations and Maintenance Cost Type | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
| 46035 | Shop Supplies | \$ 10,000 | 5,285 | \$ 4,715 | 47.15% |
| 42820 | Education-Tuition Assistance | \$ - | - | \$ - | 0.00% |
| 46023 | Computer Materials & Repair | \$ 24,000 | 8,651 | \$ 15,349 | 63.95% |
| 46024 | Mechanical M&R Materials | \$ - | - | \$ - | 0.00% |
| | Supplies & Materials Subtotal | \$ 669,500 | 339,054 | \$ 330,446 | 49.36% |
| | | | | | |
| | | | | | |
| | Gas/Diesel Fuel/Oil & Grease | | | | |
| 46008 | Vehicle & Equipt Fuel-Diesel | \$ 311,575 | 107,561 | \$ 204,014 | 65.48% |
| 46028 | Vehicle & Equipt Fuel-Gasoline | \$ 4,000 | 548 | \$ 3,452 | 86.31% |
| 46029 | Vehicle & Equipt/Oil & Grease | \$ 10,000 | 10,979 | \$ (979) | -9.79% |
| | Gas/Diesel Fuel/Oil & Grease Subtotal | \$ 325,575 | 119,088 | \$ 206,487 | 63.42% |
| | | | | | |
| | Rentals & Leases | | | | |
| 45410 | Lease/Rent of Equipment-Office (Copier/postal meter) | \$ 5,500 | 2,746 | \$ 2,754 | 50.07% |
| 45411 | Lease/Rent of Equipment-Landfill | \$ 10,000 | 31,710 | \$ (21,710) | -217.10% |
| 45420 | Lease/Rent of Buildings | \$ - | - | \$ - | 0.00% |
| | Rentals & Leases Subtotal | \$ 15,500 | 34,456 | \$ (18,956) | -122.30% |
| | | | | | |
| | Utilities & Natural Gas | | | | |
| 45230 | Telephone/Internet | \$ 19,000 | 7,806 | \$ 11,194 | 58.92% |
| 45110 | Electrical Services | \$ 40,000 | 25,145 | \$ 14,855 | 37.14% |
| 45130 | Water & Sewer | \$ 1,500 | 595 | \$ 905 | 60.36% |
| 45120 | Utilities - Propane Gas | \$ 8,000 | 1,927 | \$ 6,073 | 75.92% |
| 45231 | Cellular Services & Pager | \$ 3,960 | 960 | \$ 3,000 | 75.76% |
| | Utilities Subtotal | \$ 72,460 | 36,433 | \$ 36,027 | 49.72% |
| | | | | | |
| 45500 | Travel & Training-Includes Continuing Education | \$ 4,000 | | \$ 4,000 | 100.00% |
| 45510 | Travel Mileage-Personal Vehicle | \$ - | 42 | \$ (42) | 0.00% |
| 45520 | Travel-Public Carriers | | - | \$ - | 0.00% |
| 45530 | Travel-Subsistence & Lodging | \$ - | 1,428 | \$ (1,428) | 0.00% |
| 45540 | Off-Site Training | \$ - | 1,207 | \$ (1,207) | 0.00% |
| 46014 | On-Site Training | \$ 4,000 | 240 | \$ 3,760 | 94.00% |
| | Travel & Training Subtotal | \$ 8,000 | 2,918 | \$ 5,082 | 63.53% |
| | | | | | |
| | Miscellaneous | | | | |
| 45800 | Miscellaneous | \$ 2,400 | - | \$ 2,400 | 100.00% |
| 45810 | Dues and Assoc Membership-Misc | \$ 1,800 | 560 | \$ 1,240 | 68.89% |
| 45801 | Bank Service Charges & bond fees | \$ 17,000 | 13,083 | \$ 3,917 | 23.04% |
| 45802 | Cash Overage and (Shortage) | \$ - | - | \$ - | 0.00% |
| 45803 | Finance Charges paid to vendors | \$ - | 635 | \$ (635) | 0.00% |
| 45804 | Bad Debt Expense | \$ 514 | - | \$ 514 | 100.00% |
| 46030 | Fleet Services Internal Charges-Mgt | | - | \$ - | 0.00% |
| 45840 | VDEQ landfill fee - Misc | \$ 38,000 | 44,489 | \$ (6,489) | -17.08% |
| | Misc Expenses Subtotal | \$ 59,714 | 58,766 | \$ 947 | 1.59% |
| | | | | | |
| | Payments to Other Entities | | | | |
| 43164 | Leachate Treatment-Concord Turnpike | | - | \$ - | 0.00% |
| 43164a | Leachate Treatment-LR facility | \$ 25,000 | 3,663 | \$ 21,337 | 85.35% |
| | Insurance | | | \$ - | 0.00% |
| 45308 | General Liability insurance | \$ 48,528 | 48,528 | \$ - | 0.00% |
| | Payments to Other Entities Subtotal | \$ 73,528 | 52,191 | \$ 21,337 | 29.02% |
| | | | | | |
| | Sub-Total SA O & M Expenses | 1,914,097 | 1,205,447 | \$ 708,650 | 37.02% |
| | | | | | |
| | Reimbursable O & M Expenses (see Reimbursable Schedule for Detail) | \$ (87,840) | (56,951) | \$ (30,889) | 35.17% |
| | | | | | |

Landfill Operating and Maintenance Expenses

Schedule 4

| | | (A) | (B) | (C) | (D) |
|---------|---|-------------------------------|----------------------------------|--|----------------------------------|
| Account | Operations and Maintenance Cost Type | FY 2026 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
| | | | | | |
| | Grand Total Operations and Maintenance Cost | \$ 1,826,257 | \$ 1,148,496 | \$ 677,761 | 37.11% |

Reimbursable Landfill Operating and Maintenance Expenses Personnel Costs

Schedule 5

| | | (A) | (B) | (C) | (D) |
|---------|---|----------------------------|----------------------------------|--|-------------------------------|
| Account | Operations and Maintenance Cost Type | FY26 Approved Budget | Actuals Through 12/31/2025 | Budget Amount Remaining (A - B) | Budget % Remaining (C / A) |
| | | | | | |
| | Reimbursable Landfill O & M Expenses | | | | |
| | | | | | |
| | City of Lynchburg | | | | |
| 43140 | Engineering/Monitoring Services | \$ (60,000) | \$ (34,693) | \$ (25,307) | 42.2% |
| 43160 | Environmental Lab Services | \$ - | \$ - | \$ - | |
| 43161 | Tire shredding | \$ - | \$ - | \$ - | 0.0% |
| 43162 | HHW Disposal | \$ - | \$ - | \$ - | 0.0% |
| 43163 | Wood Waste Grinding | \$ - | \$ - | \$ - | 0.0% |
| 43164 | Leachate Treatment | \$ - | \$ - | \$ - | 0.0% |
| | City of Lynchburg Subtotal | \$ (60,000) | \$ (34,693) | \$ (25,307) | 42.2% |
| | | | | | |
| | Campbell County | | | | |
| 43140a | Engineering/Monitoring/Remediation Services | \$ (22,840) | \$ (22,258) | \$ (582) | 2.5% |
| 43160a | Environmental Lab Services | \$ (5,000) | \$ - | \$ (5,000) | 100.0% |
| 43161 | Tire shredding | \$ - | \$ - | \$ - | 0.0% |
| 43162 | HHW Disposal | \$ - | \$ - | \$ - | 0.0% |
| 43163 | Wood Waste Grinding | \$ - | \$ - | \$ - | 0.0% |
| 43164a | Leachate Treatment | \$ - | \$ - | \$ - | |
| | Campbell County Subtotal | \$ (27,840) | \$ (22,258) | \$ (5,582) | 20.1% |
| | | | | | |
| | Reimbursable Landfill O & M Expenses | \$ (87,840) | \$ (56,951) | \$ (30,889) | 35.2% |
| | | | | | |
| | | | | | |
| | Reimbursable Landfill Personnel Costs | | | | |
| | | | | | |
| | City of Lynchburg | | | | |
| | Concord Turnpike Personnel Costs | | \$ - | \$ - | 0.0% |
| | Recycling Program Manager Salary & Benefits | \$ - | \$ - | \$ - | 0.0% |
| | City of Lynchburg Subtotal | \$ - | \$ - | \$ - | 0.0% |
| | | | | | |
| | Campbell County | | | | |
| | Environmental Compliance & Safety | | \$ - | \$ - | 0.0% |
| | Campbell County Subtotal | \$ - | \$ - | \$ - | 0.0% |
| | | | | | |
| | Reimbursable Landfill Personnel Costs | \$ - | \$ - | \$ - | 0.0% |
| | | | | | |

Schedule 5-Reimb

Region 2000 Services Authority

FY26

Schedule 7

Capital Equipment Fund

| FY26 Capital Equipment Items (Preliminary) | Cost | Purchased | Fund Balance |
|--|------------|------------|--------------|
| Estimated Balance @ 6/30/2025 | | | \$ 24,469 |
| Transfer from Operating Funds for FY26 | | | \$ 613,866 |
| | | | |
| FY 2026 Preliminary Purchases | | | |
| D6XE dozer refurbish (paid 7/9/25) | \$ 571,335 | \$ 571,335 | |
| Mini excavator bucket (paid 8/21/25) | \$ 7,000 | \$ 5,950 | |
| Volvo excavator bucket (paid 8/21/25) | \$ 20,000 | \$ 11,375 | |
| GPS system upgrade | \$ 40,000 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Subtotal | \$ 638,335 | \$ 588,660 | |
| | | | |
| | | | |
| | | | |
| Estimated Balance @ 7/31/2026 | | | \$ 49,675 |

Region 2000 Services Authority

Balance Sheet

Assets**12/31/2025****Cash - Bond Funds**

| | |
|--------------------------------------|-----------------|
| Cash-US Bank 2021 Bond Fund Payments | \$ 1,391,039.63 |
| Total Bond Funds | \$ 1,391,039.63 |

| | |
|-----------------|-----------|
| Cash-Scalehouse | \$ 400.00 |
|-----------------|-----------|

Cash - Closure/Post-Closure

| | |
|-----------------------------------|-----------------|
| Cash -Truist Closure/Post-Closure | \$ 115,738.61 |
| LGIP-Concord Tpk - C/PC | \$ 1,918,010.62 |
| Total Closure/PC - Concord Tpk | \$ 2,033,749.23 |

| | |
|---------------------------------|------------------|
| LGIP account - 14300 | \$ 1,351,468.42 |
| LGIP account - 14350 | \$ 2,791,893.31 |
| LGIP account - 14382 | \$ 3,289,243.46 |
| LGIP account - 14370 | \$ 1,537,338.14 |
| LGIP account - 14380 | \$ 3,466,256.18 |
| LGIP account - 14381 | \$ 2,112,659.49 |
| Total Closure/PC - Livestock Rd | \$ 14,548,859.00 |

| | |
|----------------------------|------------------|
| Total Closure/Post Closure | \$ 16,582,608.23 |
|----------------------------|------------------|

Cash-Operating Accounts

| | |
|---|---------------|
| Bank of the James Depository Account | \$ 117,663.47 |
| Truist Operating Account | |
| Operating funds | \$ 968,888.96 |
| FY25 restricted funds (equipment replacement reserve) | \$ 49,675.00 |

Truist CD for DEQ/Tires

| | |
|--------------------------------|------------------|
| LGIP-Environmental Remediation | \$ 675,175.73 |
| LGIP-O&M Reserve | \$ 1,343,578.12 |
| Total Cash Assets | \$ 21,129,029.14 |

| | |
|---|------------------|
| All Receivables for Operations | \$ 862,754.33 |
| Other receivables | \$ 630,237.45 |
| Internal Loan Receivable | \$ 1,240,908.19 |
| GASB 68 Deferred Pension Outflow & OPEB GLI | \$ 66,065.00 |
| Prepaid Expenses | \$ 944.67 |
| All Fixed Assets -less depreciation | \$ 13,249,503.96 |
| Construction in Progress - LR projects | \$ - |
| Total Assets | \$ 37,179,442.74 |

Liabilities

| | | |
|---|----|-------------------|
| Accounts Payable | \$ | 258,450.20 |
| Accrued OPEB Liabilities | \$ | 320,856.00 |
| GASB 68 Deferred Pension & OPEB Liabilities | \$ | 271,902.00 |
| Net Pension Liability | \$ | (755,621.00) |
| Accrued Interest Payable | \$ | 40,577.50 |
| Accrued Vacation Pay | \$ | 76,835.40 |
| Accrued Other Liabilities | \$ | - |
| Total Current Liabilities | \$ | <u>213,000.10</u> |

| | | |
|--|----|---------------------|
| Accrued P/C Cost-Concord Tpk - City of Lynchburg (71.6%) | \$ | 1,393,581.14 |
| Accrued P/C Cost-Concord Tpk - SA (28.4%) | \$ | 558,892.24 |
| Accrued Post-Closure-Concord Tpk - Other | \$ | 642,016.14 |
| Total Concord Turnpike Post Closure Liability | \$ | <u>2,594,489.52</u> |

| | | |
|---|----|---------------|
| Accrued Closure-P/C Cost-Livestock Road | \$ | 12,960,123.87 |
|---|----|---------------|

| | | |
|----------------------------|----|---------------|
| Total Closure/Post-Closure | \$ | 15,554,613.39 |
|----------------------------|----|---------------|

Debt

| | | |
|-----------------------|----|--------------|
| Internal Loan Payable | \$ | 1,240,908.19 |
| 2021 Bond Payable | \$ | 4,572,000.00 |

| | | |
|-------------------|----|----------------------|
| Total Liabilities | \$ | <u>21,580,521.68</u> |
|-------------------|----|----------------------|

Reserves/Fund Balance

| | | |
|--|----|--------------|
| Restricted - LGIP account - 14382 | \$ | 3,289,242.56 |
| Restricted - LGIP account - 14370 | \$ | 1,537,338.14 |
| Restricted - LGIP account - 14380 | \$ | 3,466,256.18 |
| Restricted - LGIP account - 14381 | \$ | 2,112,659.49 |
| Restricted - Environmental Remediation Reserve | \$ | 450,000.00 |
| Restricted - Equipment Replacement Reserve | \$ | 67,000.00 |
| Restricted - Future Disposal Planning Reserve | \$ | 86,242.38 |
| Restricted - O & M Reserve | \$ | 1,009,193.67 |

| | | |
|---------------|----|---------------|
| Reserve funds | \$ | 12,017,932.42 |
| Fund Balance | \$ | 3,580,988.64 |

| | | |
|----------------------------|----|-----------------------------|
| Total Liabilities & Equity | \$ | <u><u>37,179,442.74</u></u> |
|----------------------------|----|-----------------------------|

FY 2027 Proposed Budget Summary

Revenue Tonnage Projection:

- Member tons, 71,265 tons. No Increase
- Market rate tons, 125,038 tons. No increase.

Revenue:

- \$7,924,682-No increase

Total Expenses

- \$7,924,682-No increase

Proposed Employee Salary Increase:

A 3% COLA salary increase is proposed for July 1, 2026.

Proposed FY 27 Tipping Fee:

Member Rate: \$34.00, No increase

Market Rate: \$44.00, No Increase

Region 2000 Service Authority Historical Tipping Fees:

FY26: 34.00/44.00
FY25: 30.25/40.25
FY24: 30.25/40.25
FY23: 30.25/40.25
FY22: 30.25/40.25
FY21: 30.25/40.25
FY20: 30.25/40.25
FY19: 30.25/40.25
FY18: 30.25/40.25
FY17: 28.75/38.75
FY16: 28.75/38.75
FY15: 28.75/38.75
FY14: 28.00/38.00

Region 2000 Services Authority Disposal Fee Revenue

Schedule 1

FY2027 Rates
\$34.00/\$44.00

(A)

| Tonnage | FY 2026 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
|---|-------------------------------|----------------------------|-------------------------------|--------------------------------|
| Tonnage From Member Jurisdictions | | | | |
| Lynchburg | 35,336 | 35,336 | 0 | 0.00% |
| Campbell | 20,514 | 20,514 | 0 | 0.00% |
| Nelson | 10,034 | 10,034 | 0 | 0.00% |
| Appomattox | 5,381 | 5,381 | 0 | 0.00% |
| Subtotal Member Jurisdictions | 71,265 | 71,265 | 0 | 0.00% |
| Lynchburg Contracts & Other Waste | - | - | | |
| Market Rate Tonnage | 125,038 | 125,038 | 0 | 0.00% |
| Subtotal Contract and Market Rate | 125,038 | 125,038 | 0 | 0.00% |
| Subtotal Revenue Generating Tonnage | 196,303 | 196,303 | 0 | 0.00% |
| Other Tonnage at No Charge (inert/brush/slag) | 12,237 | 12,237 | 0 | 0.00% |
| Total Tonnage | 208,540 | 208,540 | 0 | 0.00% |

| Disposal Fee Revenue | FY2026 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
|-----------------------------------|------------------------------|----------------------------|-------------------------------|--------------------------------|
| From Member Jurisdictions | | | | |
| Lynchburg | \$ 1,201,424 | \$ 1,201,424 | 0 | 0.00% |
| Campbell | \$ 697,476 | \$ 697,476 | 0 | 0.00% |
| Nelson | \$ 341,156 | \$ 341,156 | 0 | 0.00% |
| Appomattox | \$ 182,954 | \$ 182,954 | 0 | 0.00% |
| Subtotal Member Jurisdictions | \$ 2,423,010 | \$ 2,423,010 | 0 | 0.00% |
| Lynchburg Contracts & Other Waste | \$ - | \$ - | 0 | 0.00% |
| Market Rate Tonnage | \$ 5,501,672 | \$ 5,501,672 | 0 | 0.00% |
| Subtotal Contract and Market Rate | \$ 5,501,672 | \$ 5,501,672 | 0 | 0.00% |
| Total | \$ 7,924,682 | \$ 7,924,682 | 0 | 0.00% |

| | | | | |
|---------------------|--|--|--|--|
| Investment Interest | | | | |
|---------------------|--|--|--|--|

| Per Ton Disposal Fees | FY 2026 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
|-----------------------------------|-------------------------------|----------------------------|-------------------------------|--------------------------------|
| Member Disposal Fee | \$ 34.00 | \$ 34.000 | 0.00 | 0.00% |
| Cost of Service (COS) Tipping Fee | \$ 34.00 | \$ 34.000 | 0.00 | 0.00% |
| Market Rate | \$ 44.00 | \$ 44.000 | 0.00 | 0.00% |

Region 2000 Services Authority Expenses

Schedule 2

FY2027 Rates
\$34.00/\$44.00

| | (A) | 3) | | |
|--|-------------------------------|----------------------------|----------------------------|-----------------------------|
| Expenses | FY 2026 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
| Personnel (Schedule 3) | \$ 2,047,298 | \$ 2,204,379 | \$ 157,081 | 7.67% |
| Landfill O & M (Schedule 4) | \$ 1,914,097 | \$ 2,030,829 | \$ 116,732 | 6.10% |
| Landfill Equipment Replacement Reserve | \$ 638,335 | \$ 315,000 | \$ (323,335) | -50.65% |
| Closure and Post-Closure Reserve Livestock Road | | | \$ - | #DIV/0! |
| | \$ - | | \$ - | |
| O & M Reserve | \$ 207,855 | \$ 195,475 | \$ (12,380) | |
| | | | \$ - | #DIV/0! |
| 2015 Bond Debt | | | \$ - | #DIV/0! |
| Phase V Funding - 2021 Bond Debt | \$ 1,561,921 | \$ 1,562,008 | \$ 87 | 0.01% |
| Internal Loan \$1,551,135.19 | \$ 413,636 | \$ 475,793 | \$ 62,157 | |
| Annual Debt Service Subtotal | \$ 1,975,557 | \$ 2,037,801 | \$ 62,244 | 3.15% |
| Operating Expenses | \$ 6,783,142 | \$ 6,783,484 | \$ 342 | 0.01% |
| Reimbursable Personnel Costs (Schedule 5) | | \$ - | \$ - | #DIV/0! |
| Reimbursable O & M Costs (Schedule 5) | \$ (87,840) | \$ (87,840) | \$ - | 0.00% |
| Interest -operating accounts | \$ (1,000) | \$ (1,000) | \$ - | 0.00% |
| Late fees/Recycling Revenue/Fin charges/other revenues | \$ (20,000) | \$ (20,000) | \$ - | 0.00% |

| | | | | |
|---|--------------|--------------|--------|--|
| Net Cost of Service Operating Expense Total | \$ 6,674,302 | \$ 6,674,644 | \$ 342 | |
|---|--------------|--------------|--------|--|

| | FY 2026 Approved Budget | FY27 Proposed Budget | Change From FY26 Budget | %Change from FY26 Budget |
|---|-------------------------------|----------------------------|----------------------------|-----------------------------|
| | | | \$ - | #DIV/0! |
| | | | \$ - | #DIV/0! |
| Excess revenue to C/PC (diff in market rate v. member rate) | \$ 1,250,380 | \$ 1,250,038 | \$ (342) | -0.03% |
| O & M Reserve Contribution | | | \$ - | 0.00% |
| Total Expenses | \$ 7,924,682 | \$ 7,924,682 | \$ (0) | 0.00% |

| | | | | |
|----------------------------------|------------|-----------|------|-------|
| Total Revenue Generating Tonnage | 196,303 | 196,303 | - | 0.00% |
| Disposal Cost per Ton | \$ 34.0000 | \$ 34.000 | \$ - | 0.00% |

Schedule 2

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Personnel

Schedule 3

| (A) | | | | | |
|-------|--|-------------------------------|----------------------------|-------------------------------|--------------------------------|
| | Account | FY 2026 Approved Budget | FY27 Proposed Budget | Change from FY25 Budget | %Change from FY26 Budget |
| | Solid Waste Staff | | | | |
| | | | | | |
| | Management | | | | |
| 41111 | Salaries - Solid Waste Director | \$ 179,816 | \$ 215,103 | \$ 35,287 | 19.62% |
| 41112 | Salaries-Environ Compl & Safety | \$ 81,890 | \$ 98,244 | \$ 16,354 | 19.97% |
| 41129 | Salaries-Environ Technician | | \$ 51,124 | \$ 51,124 | |
| 41113 | Salaries-Office Manager | \$ 64,961 | \$ 76,874 | \$ 11,913 | 18.34% |
| 41114 | Salaries-Finance Associate | \$ 41,603 | \$ 49,405 | \$ 7,802 | 18.75% |
| | Management | \$ 368,269 | \$ 490,750 | \$ 122,480 | 33.26% |
| | | | | | |
| | Salaries & Wages-Operations | | | | |
| 41121 | Salaries & Wages-Operations Mgr | \$ 104,034 | \$ 124,540 | \$ 20,506 | 19.71% |
| 41123 | Salaries&Wages-Scale Operators | \$ 83,840 | \$ 100,656 | \$ 16,816 | 20.06% |
| 41124 | Salaries&Wages-Working FieldSupervisor | \$ 93,057 | \$ 110,249 | \$ 17,192 | 18.48% |
| 41125 | Salaries&Wages-Equipment Operators | \$ 473,706 | \$ 547,112 | \$ 73,406 | 15.50% |
| 41127 | Salaries&Wages- Maint Workers | \$ 50,132 | \$ 59,103 | \$ 8,971 | 17.89% |
| 41128 | Salaries&Wages-Mechanics | \$ 50,100 | \$ 50,100 | \$ - | 0.00% |
| | Operations | \$ 854,868 | \$ 991,760 | \$ 136,892 | 16.01% |
| | | | | | |
| | Salary | \$ 1,223,138 | \$ 1,482,510 | \$ 259,372 | 21.21% |
| | Total Salaries | \$ 1,223,138 | \$ 1,482,510 | \$ 259,372 | 21.21% |
| | | | | | |
| | Employee Benefits | | | | |
| 42210 | VRS-Retirement | \$ 32,786 | \$ 32,786 | \$ - | 0.00% |
| 42220 | VRS Life Insurance (1.34%) | \$ 15,025 | \$ 19,866 | \$ 4,841 | 32.22% |
| 42300 | Employer Cost-Health Insurance | \$ 178,393 | \$ 214,071 | \$ 35,678 | 20.00% |
| 42700 | Employer Cost-Worker's Comp | \$ 23,400 | \$ 26,500 | \$ 3,100 | 13.25% |
| 42100 | Employer Cost-FICA | \$ 96,119 | \$ 113,412 | \$ 17,293 | 17.99% |
| 42600 | Unemployment Insurance | \$ 35,000 | | \$ (35,000) | -100.00% |
| 42820 | Retention costs (sign-on bonus/education) | \$ 14,000 | \$ 14,000 | \$ - | 0.00% |
| | | | | \$ - | #DIV/0! |
| | | | | | |
| | Employee Benefits Subtotal | \$ 394,723 | \$ 420,634 | \$ 25,912 | 6.56% |
| | | | | | |
| | Overtime | | | | |
| 41200 | Salaries and Wages - Overtime | \$ 40,025 | \$ 41,226 | \$ 1,201 | 3.00% |
| 41300 | Part -time Salaries-Wages-Regul | \$ 87,525 | \$ 90,151 | \$ 2,626 | |
| | Overtime Subtotal | \$ 127,550 | \$ 131,377 | \$ 3,827 | 3.00% |
| | | | | | |
| | Total Personnel Costs-Services Authority Staff | \$ 1,745,410 | \$ 2,034,521 | \$ 289,111 | 16.56% |
| | | | | | |
| | Local Government Council Staff | | | | |
| 43131 | Prof Services-PDC-Salaries | \$ 79,461 | \$ 81,845 | \$ 2,383 | 3.00% |
| 43132 | Prof Services-PDC-Benefits | \$ 31,236 | \$ 34,792 | \$ 3,556 | 11.38% |
| 43133 | Prof Services-PDC-Overhead | \$ 53,467 | \$ 53,221 | \$ (246) | -0.46% |
| | | | | | |
| | Total Personnel Costs-Region 2000 Staff | \$ 164,165 | \$ 169,859 | \$ 5,694 | 3.47% |
| | | | | | |
| | Total Personnel Costs | \$ 1,909,575 | \$ 2,204,379 | \$ 294,805 | 15.44% |

Schedule 3

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Landfill Operating and Maintenance Expenses

Schedule 4

(A)

| Account | Operations and Maintenance Cost Type | FY 2026 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
|---------|---|-------------------------------|----------------------------|-------------------------------|-----------------------------|
| | Contractual Services | | | | |
| 43166 | Software support-Paradigm | \$ 12,000 | \$ 13,000 | \$ 1,000 | 8.33% |
| 43321 | Communications M&R Service/Radio | \$ 14,240 | \$ 15,000 | \$ 760 | 5.34% |
| 43313 | Building M & R Services | \$ 6,000 | \$ 6,000 | \$ - | 0.00% |
| 43171 | Site Maintenance-Concord Turnpike | \$ - | \$ - | \$ - | 0.00% |
| 43172 | Site Maintenance-Livestock Road | \$ 110,000 | \$ 110,000 | \$ - | 0.00% |
| 43170 | Sedimentation Basin Cleaning | \$ - | \$ - | \$ - | 0.00% |
| 43169 | Janitorial Services | \$ 8,580 | \$ 8,580 | \$ - | 0.00% |
| 43110 | Med/Dental/Pharm/Lab Services | \$ - | \$ - | \$ - | 0.00% |
| 43150 | Legal Services | \$ 30,000 | \$ 30,000 | \$ - | 0.00% |
| 43120 | Accounting and auditing service | \$ 14,000 | \$ 17,000 | \$ 3,000 | 21.43% |
| 43140 | Engineering/Monitoring Services-Lynchburg | \$ - | \$ - | \$ - | 0.00% |
| 43140a | Engineering/Monitoring Services-Campbell | \$ 220,000 | \$ 220,000 | \$ - | 0.00% |
| 43141 | Professional Consulting Service | \$ 35,000 | \$ 10,000 | \$ (25,000) | -71.43% |
| 43160 | Environmental Lab Services-Lynchburg | \$ - | \$ - | \$ - | 0.00% |
| 43160a | Environmental Lab Services-Campbell | \$ 9,000 | \$ 9,000 | \$ - | 0.00% |
| 43200 | Temporary Help Service Fees | \$ 30,000 | \$ 30,000 | \$ - | 0.00% |
| 43600 | Advertising | \$ 6,000 | \$ 5,000 | \$ (1,000) | -16.67% |
| 43176 | Software Purchases-Other | \$ 3,000 | \$ 3,000 | \$ - | 0.00% |
| 43167 | Pest Control services | \$ 1,000 | \$ 1,000 | \$ - | 0.00% |
| 43168 | Investigative Services | \$ 100 | \$ 100 | \$ - | 0.00% |
| 46011 | Uniform Rental Services / Clothing Allowance | \$ 11,000 | \$ 11,000 | \$ - | 0.00% |
| 43161 | Tire Shredding Services | \$ 5,000 | \$ 15,000 | \$ 10,000 | 200.00% |
| 43165 | Misc Contractual Services | \$ 1,000 | \$ 1,000 | \$ - | 0.00% |
| 43177 | Website, Media & Public Communications | \$ 2,500 | \$ 2,500 | \$ - | 0.00% |
| 42850 | Employee Med Exp-drug tests, ph | \$ 1,500 | \$ 1,500 | \$ - | 0.00% |
| 46031 | Heavy Equipment-Outside Repair | \$ 150,000 | \$ 250,000 | \$ 100,000 | 66.67% |
| 43173 | Mechanical M&R Services | \$ 4,000 | \$ 4,000 | \$ - | 0.00% |
| 43121 | Payroll support services | \$ 4,000 | \$ 4,000 | \$ - | 0.00% |
| 46017 | Software Maint Contract-Accounting | \$ 1,900 | \$ 1,900 | \$ - | 0.00% |
| 43162 | HHW Disposal | \$ - | \$ - | \$ - | 0.00% |
| 43163 | Wood Waste Grinding | \$ 10,000 | \$ 28,000 | \$ 18,000 | 180.00% |
| | Contractual Services Subtotal | \$ 689,820 | \$ 796,580 | \$ 106,760 | 15.48% |
| | Supplies & Materials | | | | |
| 46001 | Office Supplies/Audio Visual Supplies | \$ 6,000 | \$ 6,000 | \$ - | 0.00% |
| 46002 | Forms & Stationary | \$ 1,000 | \$ 1,000 | \$ - | 0.00% |
| 46005 | Custodial Supplies | \$ 2,500 | \$ 2,500 | \$ - | 0.00% |
| 46033 | Apparel/Protective Wear/Personal Protective Equipment | \$ 3,000 | \$ 3,000 | \$ - | 0.00% |
| 46012 | Books & Publications | \$ - | \$ - | \$ - | 0.00% |
| 46013 | Subscriptions | \$ - | \$ - | \$ - | 0.00% |
| 46018 | Safety Supplies | \$ 3,000 | \$ 3,000 | \$ - | 0.00% |
| 46019 | Awards & Recognitions | \$ - | \$ - | \$ - | 0.00% |
| 46020 | Grounds Maintenance Supplies | \$ 3,000 | \$ 3,000 | \$ - | 0.00% |
| 46026 | Food & Dietary Supplies | \$ - | \$ 1,500 | \$ 1,500 | 0.00% |
| 46022 | Minor Equipment-Tools | \$ 6,000 | \$ 6,000 | \$ - | 0.00% |
| 46021 | Chemicals/gases | \$ 500 | \$ 500 | \$ - | 0.00% |
| 43310 | R & M- Office | \$ - | \$ - | \$ - | 0.00% |
| 46009 | Vehicle M&R Equipment Parts | \$ 250,000 | \$ 250,000 | \$ - | 0.00% |
| 46007 | R&M Supplies-Building | \$ 2,500 | \$ 2,500 | \$ - | 0.00% |
| 43312 | R & M-Mechanical-Materials | \$ - | \$ - | \$ - | 0.00% |
| 46016 | Odor Control Operations & Materials | \$ 15,000 | \$ 15,000 | \$ - | 0.00% |
| 46032 | Communications M & R Materials | \$ 2,000 | \$ 2,000 | \$ - | 0.00% |
| 46025 | Haul Road M&R Materials | \$ 223,000 | \$ 225,000 | \$ 2,000 | 0.90% |
| 46027 | Daily Cover/Posi-Shell | \$ 115,000 | \$ 118,000 | \$ 3,000 | 2.61% |
| 45210 | Postal Services | \$ 2,000 | \$ 2,000 | \$ - | 0.00% |
| 45220 | Messenger Services | \$ - | \$ - | \$ - | 0.00% |
| 43500 | Printing & Binding | \$ 1,000 | \$ 1,000 | \$ - | 0.00% |

Landfill Operating and Maintenance Expenses

Schedule 4

(A)

| Account | Operations and Maintenance Cost Type | FY 2026 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
|---------|--|-------------------------------|----------------------------|-------------------------------|-----------------------------|
| 46035 | Shop Supplies | \$ 10,000 | \$ 10,000 | \$ - | 0.00% |
| 42820 | Education-Tuition Assistance | \$ - | \$ - | \$ - | 0.00% |
| 46023 | Computer Materials & Repair | \$ 24,000 | \$ 24,000 | \$ - | 0.00% |
| 46024 | Mechanical M&R Materials | \$ - | \$ - | \$ - | 0.00% |
| | Supplies & Materials Subtotal | \$ 669,500 | \$ 676,000 | \$ 6,500 | 0.97% |
| | | | | | |
| | Gas/Diesel Fuel/Oil & Grease | | | | |
| 46008 | Vehicle & Equipt Fuel-Diesel | \$ 311,575 | \$ 311,575 | \$ - | 0.00% |
| 46028 | Vehicle & Equipt Fuel-Gasoline | \$ 4,000 | \$ 4,000 | \$ - | 0.00% |
| 46029 | Vehicle & Equipt/Oil & Grease | \$ 10,000 | \$ 10,000 | \$ - | 0.00% |
| | Gas/Diesel Fuel/Oil & Grease Subtotal | \$ 325,575 | \$ 325,575 | \$ - | 0.00% |
| | | | \$ - | | 0.00% |
| | Rentals & Leases | | \$ - | | 0.00% |
| 45410 | Lease/Rent of Equipment-Office (Copier/postal meter) | \$ 5,500 | \$ 5,500 | \$ - | 0.00% |
| 45411 | Lease/Rent of Equipment-Landfill | \$ 10,000 | \$ 10,000 | \$ - | 0.00% |
| 45420 | Lease/Rent of Buildings | \$ - | \$ - | \$ - | 0.00% |
| | Rentals & Leases Subtotal | \$ 15,500 | \$ 15,500 | \$ - | 0.00% |
| | | | | | |
| | Utilities & Natural Gas | | | | |
| 45230 | Telephone/Internet | \$ 19,000 | \$ 20,000 | \$ 1,000 | 5.26% |
| 45110 | Electrical Services | \$ 40,000 | \$ 42,000 | \$ 2,000 | 5.00% |
| 45130 | Water & Sewer | \$ 1,500 | \$ 1,500 | \$ - | 0.00% |
| 45120 | Utilities - Propane Gas | \$ 8,000 | \$ 6,000 | \$ (2,000) | -25.00% |
| 45231 | Cellular Services & Pager | \$ 3,960 | \$ 3,960 | \$ - | 0.00% |
| | Utilities Subtotal | \$ 72,460 | \$ 73,460 | \$ 1,000 | 1.38% |
| | | | \$ - | \$ - | 0.00% |
| 45500 | Travel & Training-Includes Continuing Education | \$ 4,000 | \$ 4,000 | \$ - | 0.00% |
| 45510 | Travel Mileage-Personal Vehicle | \$ - | \$ - | \$ - | 0.00% |
| 45520 | Travel-Public Carriers | | \$ - | \$ - | 0.00% |
| 45530 | Travel-Subsistence & Lodging | \$ - | \$ - | \$ - | 0.00% |
| 45540 | Off-Site Training | \$ - | \$ - | \$ - | 0.00% |
| 46014 | On-Site Training | \$ 4,000 | \$ 4,000 | \$ - | 0.00% |
| | Travel & Training Subtotal | \$ 8,000 | \$ 8,000 | \$ - | 0.00% |
| | | | | | |
| | Miscellaneous | | | | |
| 45800 | Miscellaneous | \$ 2,400 | \$ 2,400 | \$ - | 0.00% |
| 45810 | Dues and Assoc Membership-Misc | \$ 1,800 | \$ 1,800 | \$ - | 0.00% |
| 45801 | Bank Service Charges & bond fees | \$ 17,000 | \$ 18,000 | \$ 1,000 | 5.88% |
| 45802 | Cash Overage and (Shortage) | \$ - | \$ - | \$ - | 0.00% |
| 45803 | Finance Charges paid to vendors | \$ - | \$ - | \$ - | 0.00% |
| 45804 | Bad Debt Expense | \$ 514 | \$ 514 | \$ - | 0.00% |
| 46030 | Fleet Services Internal Charges-Mgt | | \$ - | \$ - | 0.00% |
| 45840 | VDEQ landfill fee - Misc | \$ 38,000 | \$ 38,000 | \$ - | 0.00% |
| | Misc Expenses Subtotal | \$ 59,714 | \$ 60,714 | \$ 1,000 | 1.67% |
| | | | | | |
| | Payments to Other Entities | | | | |
| 43164 | Leachate Treatment-Concord Turnpike | | \$ - | | 0.00% |
| 43164a | Leachate Treatment-LR facility | \$ 25,000 | \$ 25,000 | \$ - | 0.00% |
| | Insurance | | \$ - | \$ - | 0.00% |
| 45308 | General Liability insurance | \$ 48,528 | \$ 50,000 | \$ 1,472 | 3.03% |
| | Payments to Other Entities Subtotal | \$ 73,528 | \$ 75,000 | \$ 1,472 | 3.03% |
| | | | \$ - | | |
| | Sub-Total SA O & M Expenses | 1,914,097 | 2,030,829 | \$ 116,732 | 6.10% |
| | | | | | |
| | Reimbursable O & M Expenses (see Reimbursable Schedule for Detail) | \$ (87,840) | \$ (87,840) | \$ - | 0.00% |

Landfill Operating and Maintenance Expenses

Schedule 4

(A)

| Account | Operations and Maintenance Cost Type | FY 2026 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
|---------|---|-------------------------------|----------------------------|-------------------------------|-----------------------------|
| | | | | | |
| | | | | | |
| | Grand Total Operations and Maintenance Cost | \$ 1,826,257 | \$ 1,942,989 | \$ 116,732 | 6.39% |

Reimbursable Landfill Operating and Maintenance Expenses Personnel Costs

Schedule 5

| (A) | | | | | |
|---------|---|----------------------------|----------------------------|-------------------------------|--------------------------------|
| Account | Operations and Maintenance Cost Type | FY26 Approved Budget | FY27 Proposed Budget | Change from FY26 Budget | %Change from FY26 Budget |
| | | | | | |
| | Reimbursable Landfill O & M Expenses | | | | |
| | | | | | |
| | City of Lynchburg | | | | |
| 43140 | Engineering/Monitoring Services | \$ (60,000) | \$ (60,000) | \$ - | 0.00% |
| 43160 | Environmental Lab Services | \$ - | \$ - | \$ - | |
| 43161 | Tire shredding | \$ - | | \$ - | 0.00% |
| 43162 | HHW Disposal | \$ - | \$ - | \$ - | 0.00% |
| 43163 | Wood Waste Grinding | \$ - | | \$ - | 0.00% |
| 43164 | Leachate Treatment | \$ - | | \$ - | 0.00% |
| | City of Lynchburg Subtotal | \$ (60,000) | \$ (60,000) | \$ - | 0.00% |
| | | | | | |
| | Campbell County | | | | |
| 43140a | Engineering/Monitoring/Remediation Services | \$ (22,840) | \$ (22,840) | \$ - | 0.00% |
| 43160a | Environmental Lab Services | \$ (5,000) | \$ (5,000) | \$ - | 0.00% |
| 43161 | Tire shredding | \$ - | | \$ - | 0.00% |
| 43162 | HHW Disposal | | \$ - | \$ - | 0.00% |
| 43163 | Wood Waste Grinding | \$ - | | \$ - | 0.00% |
| 43164a | Leachate Treatment | \$ - | \$ - | \$ - | 0.00% |
| | Campbell County Subtotal | \$ (27,840) | \$ (27,840) | \$ - | 0.00% |
| | | | | | |
| | Reimbursable Landfill O & M Expenses | \$ (87,840) | \$ (87,840) | \$ - | 0.00% |
| | | | | | |
| | | | | | |
| | Reimbursable Landfill Personnel Costs | | | | |
| | | | | | |
| | City of Lynchburg | | | | |
| | Concord Turnpike Personnel Costs | | \$ - | \$ - | 0.00% |
| | Recycling Program Manager Salary & Benefits | \$ - | | \$ - | 0.00% |
| | City of Lynchburg Subtotal | \$ - | \$ - | \$ - | 0.00% |
| | | | | | |
| | Campbell County | | | | |
| | Environmental Compliance & Safety | | | | -100.00% |
| | Campbell County Subtotal | \$ - | \$ - | \$ - | -100.00% |
| | | | | | |
| | Reimbursable Landfill Personnel Costs | \$ - | \$ - | \$ - | 0.00% |
| | | | | | |

Schedule 5-Reimb

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Region 2000 Services Authority

FY27

Schedule 7

Capital Equipment Fund

| FY26 Capital Equipment Items (Preliminary) | Cost | Purchased | Fund Balance |
|--|------------|-----------|--------------|
| Estimated Balance @ 6/30/2026 | | | \$ - |
| Transfer from Operating Funds for FY27 | | | \$ 315,000 |
| | | | |
| FY 2027 Preliminary Purchases | | | |
| Computer | \$ 5,000 | | |
| Posishell machine | \$ 100,000 | | |
| Fuel truck | \$ 100,000 | | |
| Compactor wheels | \$ 60,000 | | |
| Dozer undercarriage | \$ 50,000 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Subtotal | \$ 315,000 | \$ - | |
| | | | |
| | | | |
| | | | |
| | | | |
| Estimated Balance @ 6/30/2028 | | | |

Region 2000 Services Authority

Balance Sheet

Assets**10/31/2025****Cash - Bond Funds**

| | |
|--------------------------------------|------------------------|
| Cash-US Bank 2021 Bond Fund Payments | \$ 1,187,690.11 |
| Total Bond Funds | <u>\$ 1,187,690.11</u> |

| | |
|-----------------|-----------|
| Cash-Scalehouse | \$ 400.00 |
|-----------------|-----------|

Cash - Closure/Post-Closure

| | |
|-----------------------------------|------------------------|
| Cash -Truist Closure/Post-Closure | \$ 145,302.21 |
| LGIP-Concord Tpk - C/PC | <u>\$ 1,905,282.71</u> |
| Total Closure/PC - Concord Tpk | <u>\$ 2,050,584.92</u> |

| | |
|---------------------------------|-------------------------|
| LGIP account - 14300 | \$ 1,342,500.11 |
| LGIP account - 14350 | \$ 2,773,366.37 |
| LGIP account - 14382 | \$ 3,267,416.13 |
| LGIP account - 14370 | \$ 1,527,136.42 |
| LGIP account - 14380 | \$ 3,443,254.18 |
| LGIP account - 14381 | <u>\$ 2,098,639.91</u> |
| Total Closure/PC - Livestock Rd | <u>\$ 14,452,313.12</u> |

| | |
|----------------------------|------------------|
| Total Closure/Post Closure | \$ 16,502,898.04 |
|----------------------------|------------------|

Cash-Operating Accounts

| | |
|---|---------------|
| Bank of the James Depository Account | \$ 102,763.96 |
| Truist Operating Account | |
| Operating funds | \$ 702,051.28 |
| FY25 restricted funds (equipment replacement reserve) | \$ 49,675.00 |

Truist CD for DEQ/Tires

| | |
|--------------------------------|------------------------|
| LGIP-Environmental Remediation | \$ 670,695.27 |
| LGIP-O&M Reserve | <u>\$ 1,334,662.18</u> |

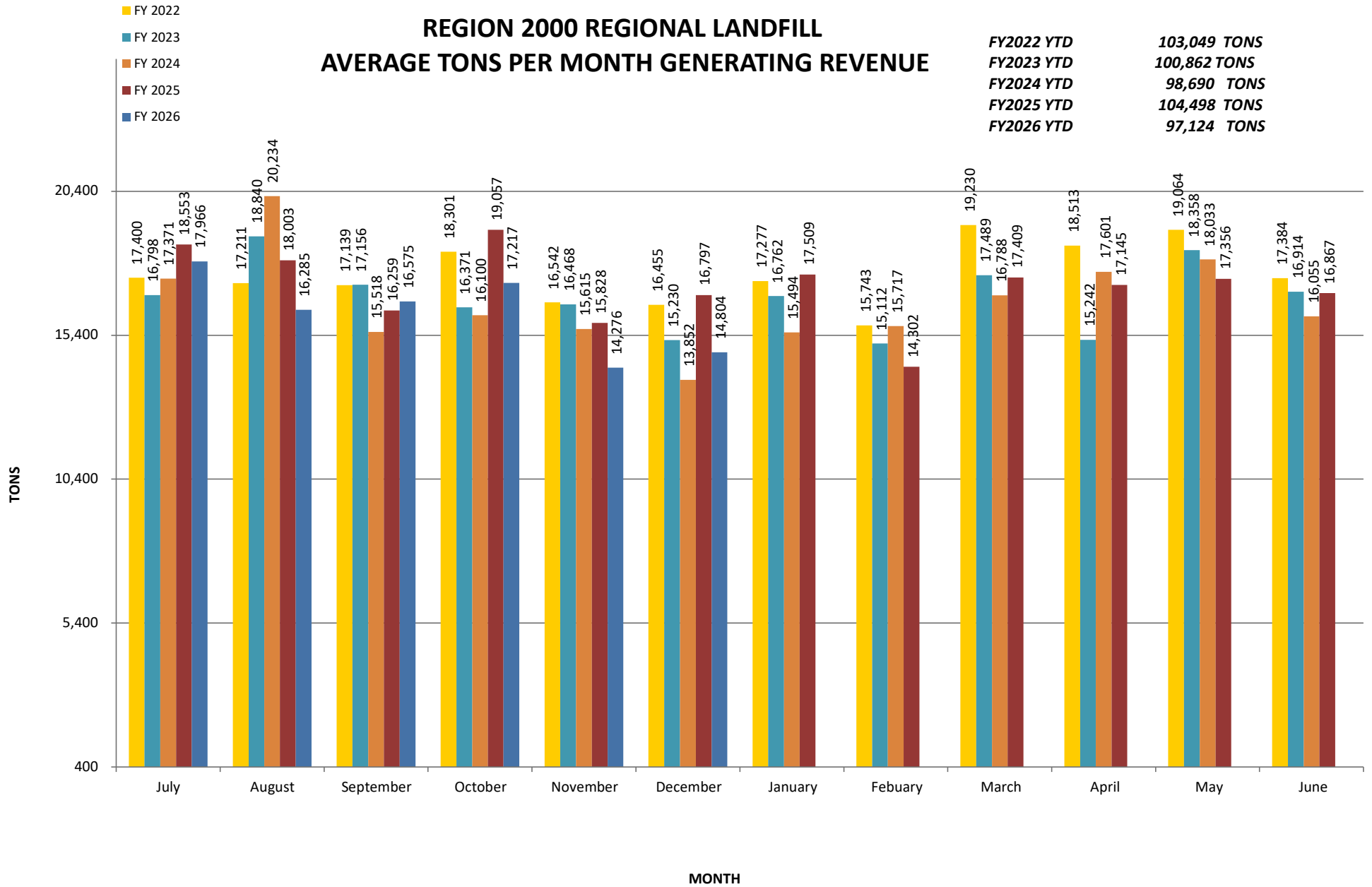
| | |
|-------------------|-------------------------|
| Total Cash Assets | <u>\$ 20,550,835.84</u> |
|-------------------|-------------------------|

| | |
|---|------------------|
| All Receivables for Operations | \$ 664,222.16 |
| Receivable from City for CT Post Closure Care | \$ 628,358.27 |
| Internal Loan Receivable | \$ 1,240,908.19 |
| GASB 68 Deferred Pension Outflow & OPEB GLI | \$ 66,065.00 |
| Prepaid Expenses | |
| All Fixed Assets -less depreciation | \$ 13,249,504.83 |
| Construction in Progress - LR projects | <u>\$ -</u> |

| | |
|--------------|--------------------------------|
| Total Assets | <u><u>\$ 36,399,894.29</u></u> |
|--------------|--------------------------------|

REGION 2000 REGIONAL LANDFILL **AVERAGE TONS PER MONTH GENERATING REVENUE**

FY2022 YTD **103,049 TONS**
FY2023 YTD **100,862 TONS**
FY2024 YTD **98,690 TONS**
FY2025 YTD **104,498 TONS**
FY2026 YTD **97,124 TONS**





Communication with Those Charged with Governance

To the Board of Directors
Region 2000 Services Authority

We have audited the financial statements of the business-type activities of Region 2000 Services Authority for the year ended June 30, 2025 and 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 6, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the useful lives of depreciable assets is based on industry standards. We evaluated the methods, assumptions and data used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimates related to the net OPEB liabilities and net pension liability reporting is based on industry standards and those used by the third-party actuary. We evaluated the methods, assumptions and data used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 14, 2025

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

Restriction on Use

This information is intended solely for the use of Board of Directors and management of Region 2000 Services Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Charlottesville, Virginia
November 14, 2025

REGION 2000 SERVICES AUTHORITY
LYNCHBURG, VIRGINIA
FINANCIAL REPORT
YEARS ENDED JUNE 30, 2025 AND 2024

DRAFT

BOARD MEMBERS

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City of Lynchburg

Candy McGarry, Treasurer
County of Nelson

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County of Campbell

Susan Adams
County of Appomattox

DIRECTOR

Clarke W. Gibson, P.E.

EXECUTIVE DIRECTOR

Alec Brebner

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Independent Auditors' Report

**To the Honorable Members of
Region 2000 Services Authority
Lynchburg, Virginia**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Region 2000 Services Authority, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Region 2000 Services Authority, as of June 30, 2025 and 2024, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Region 2000 Services Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Information

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

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

Emphasis of Matter

As discussed in note 12 to the financial statements, a request to expand landfill capacity has been denied. Because of this, municipal solid waste operations will cease in early 2029.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025, on our consideration of Region 2000 Services 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 Region 2000 Services 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 Region 2000 Services Authority's internal control over financial reporting and compliance.

Charlottesville, Virginia
November 14, 2025

Financial Statements

DRAFT

Statement of Net Position

At June 30, 2025 and with comparative totals at June 30, 2024

| | At June 30, | |
|---|---------------|---------------|
| | 2025 | 2024 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 12,879,405 | \$ 10,735,036 |
| Cash and cash equivalents - closure/post-closure reserve accounts | 6,057,501 | 5,431,563 |
| Accounts receivable | 710,153 | 699,109 |
| Due from participating government | 659,064 | 664,422 |
| Prepaid expenses | 60,090 | 3,939 |
| Total current assets | \$ 20,366,213 | \$ 17,534,069 |
| Noncurrent assets: | | |
| Restricted Assets: | | |
| Restricted cash and cash equivalents: | | |
| Unspent bond proceeds | \$ 811,845 | \$ 773,191 |
| Cash held with trustee for debt service | 111,727 | 1,807,845 |
| Net pension asset (Note 7) | 788,150 | 755,621 |
| Total restricted assets | \$ 1,711,722 | \$ 3,336,657 |
| Capital assets (Note 4): | | |
| Buildings and fixtures | \$ 3,329,305 | \$ 3,329,305 |
| Landfill site | 24,344,423 | 24,344,423 |
| Equipment and vehicles | 7,139,295 | 6,763,765 |
| Other site improvements | 6,018,942 | 6,018,942 |
| Accumulated depreciation | (30,414,575) | (28,171,120) |
| Net capital assets | \$ 10,417,390 | \$ 12,285,315 |
| Total noncurrent assets | \$ 12,129,112 | \$ 15,621,972 |
| Total assets | \$ 32,495,325 | \$ 33,156,041 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | \$ 50,753 | \$ 45,207 |
| OPEB related items | 17,428 | 20,858 |
| Total deferred outflows of resources | \$ 68,181 | \$ 66,065 |

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

Statement of Net Position

At June 30, 2025 and with comparative totals at June 30, 2024 (Continued)

| | At June 30, | |
|--|---------------|---------------|
| | 2025 | 2024 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 441,124 | \$ 80,074 |
| Compensated absences (Note 6) | 71,797 | 76,835 |
| Total current liabilities | \$ 512,921 | \$ 156,909 |
| Current liabilities payable from restricted assets: | | |
| Revenue bonds - current portion (Note 6) | \$ 1,122,000 | \$ 3,009,000 |
| Accrued interest | 23,622 | 40,578 |
| Total current liabilities payable from restricted assets | \$ 1,145,622 | \$ 3,049,578 |
| Noncurrent liabilities: | | |
| Accrued landfill closure and post-closure costs (Note 8) | \$ 6,057,501 | \$ 5,431,563 |
| Accrued landfill closure and post-closure costs - unfunded portion | 11,123,868 | 10,433,969 |
| Net pension obligation | | |
| Net OPEB liabilities (Note 10) | 308,158 | 320,856 |
| Revenue bonds - net of current portion (Note 6) | 3,450,000 | 4,572,000 |
| Total noncurrent liabilities | \$ 20,939,527 | \$ 20,758,388 |
| Total liabilities | \$ 22,598,070 | \$ 23,964,875 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | \$ 88,860 | \$ 74,241 |
| OPEB related items | 176,085 | 197,660 |
| Total deferred inflows of resources | \$ 264,945 | \$ 271,901 |
| NET POSITION | | |
| Net investment in capital assets | \$ 6,768,962 | \$ 7,285,351 |
| Restricted - net pension asset | 788,150 | 755,621 |
| Unrestricted (deficit) | 2,143,379 | 944,358 |
| Total net position | \$ 9,700,491 | \$ 8,985,330 |

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

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025 and with comparative totals for the year ended June 30, 2024

| | Year Ended June 30, | |
|---|---------------------|--------------|
| | 2025 | 2024 |
| Operating revenues: | | |
| Tipping fees | \$ 7,400,474 | \$ 7,264,930 |
| Recycling revenues | 8,864 | 8,706 |
| Penalties and interest | 40,470 | 62,742 |
| Other revenue | 38,553 | 62,987 |
| Total operating revenues | \$ 7,488,361 | \$ 7,399,365 |
| Operating expenses: | | |
| Personnel costs | \$ 1,347,506 | \$ 1,309,071 |
| Contractual, legal and professional | 516,861 | 321,736 |
| Other operating costs | 1,583,891 | 1,361,284 |
| Landfill closure and post-closure expense | 1,853,144 | 1,816,765 |
| Depreciation | 2,243,455 | 2,965,175 |
| Total operating expenses | \$ 7,544,857 | \$ 7,774,031 |
| Operating income (loss) | \$ (56,496) | \$ (374,666) |
| Nonoperating revenues (expenses): | | |
| Interest income | \$ 831,765 | \$ 857,611 |
| Participating government contribution - City of Lynchburg | - | 20,675 |
| Gain (loss) on disposal of assets | - | 22,806 |
| Other nonoperating revenues (expenses) | 13,968 | - |
| Interest expense | (74,076) | (128,720) |
| Total nonoperating revenues (expenses) | \$ 771,657 | \$ 772,372 |
| Change in net position | \$ 715,161 | \$ 397,706 |
| Net position, beginning of year | 8,985,330 | 8,587,624 |
| Net position, end of year | \$ 9,700,491 | \$ 8,985,330 |

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

Statement of Cash Flows

Year Ended June 30, 2025 and with comparative totals for the year ended June 30, 2024

| | Year Ended June 30, | |
|--|---------------------|----------------|
| | 2025 | 2024 |
| Cash from operating activities: | | |
| Receipts from customers and users | \$ 7,491,285 | \$ 7,521,251 |
| Payments to suppliers and other vendors | (2,333,160) | (1,830,009) |
| Payments to and on behalf of employees | (1,406,843) | (1,337,607) |
| Net cash provided by (used for) operating activities | \$ 3,751,282 | \$ 4,353,635 |
| Cash from noncapital financing activities: | | |
| Participating government contribution for closure and post-closure costs | \$ 5,358 | \$ 36,450 |
| Net cash provided by (used for) noncapital financing activities | \$ 5,358 | \$ 36,450 |
| Cash from capital and related financing activities: | | |
| Purchase of capital assets | \$ (375,530) | \$ (521,216) |
| Proceeds from the disposal of assets | - | 22,806 |
| Principal payments on bonds | (3,009,000) | (2,955,500) |
| Interest payments | (91,032) | (145,368) |
| Net cash provided by (used for) capital and related financing activities | \$ (3,475,562) | \$ (3,599,278) |
| Cash from investing activities: | | |
| Interest income | \$ 831,765 | \$ 857,611 |
| Net cash provided by (used for) investing activities | \$ 831,765 | \$ 857,611 |
| Increase (decrease) in cash and cash equivalents | \$ 1,112,843 | \$ 1,648,418 |
| Cash and cash equivalents at beginning of year (including \$2,741,810 and \$8,292,715, respectively reported in restricted accounts) | 18,747,635 | 17,099,217 |
| Cash and cash equivalents at end of year (including \$2,581,036 and \$2,741,810 respectively reported in restricted accounts) | \$ 19,860,478 | \$ 18,747,635 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | |
| Operating income (loss) | \$ (56,496) | \$ (374,666) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | |
| Depreciation | 2,243,455 | 2,965,175 |
| Changes in operating assets and liabilities and deferred inflows/outflows: | | |
| (Increase) decrease in accounts receivable | (11,044) | 121,886 |
| (Increase) decrease in prepaid expenses | (56,151) | 7,056 |
| (Increase) decrease in net pension asset | (32,529) | 39,838 |
| (Increase) decrease in deferred outflows - pension related items | (5,546) | 4,428 |
| (Increase) decrease in deferred outflows - OPEB related items | 3,430 | 6,482 |
| Increase (decrease) in compensated absences | (5,038) | 15,424 |
| Increase (decrease) in net OPEB liabilities | (12,698) | (138,836) |
| Increase (decrease) in deferred inflows - OPEB related items | (21,575) | 116,641 |
| Increase (decrease) in deferred inflows - net pension asset related | 14,619 | (72,513) |
| Increase (decrease) in accounts payable - operating | 361,050 | (27,237) |
| Increase (decrease) in accrued landfill costs | 1,315,837 | 1,689,957 |
| Net cash provided by (used for) operating activities | \$ 3,751,282 | \$ 4,353,635 |
| Noncash investing, capital and financing activities: | | |
| (Increase) decrease in accounts/retainage payable for capital activities | \$ - | \$ 281,439 |

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

2/2/2028

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REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024

NOTE 1—FORMATION OF THE REGION 2000 SERVICES AUTHORITY:

The Region 2000 Services Authority is a jointly governed organization formed by the Cities of Lynchburg and Bedford and the Counties of Campbell, Nelson and Appomattox pursuant to the Virginia Water and Waste Authorities Act (Code of Virginia, 1950 as amended). The Authority was formed to own and operate landfill(s) as a regional entity to accept municipal solid waste generated within each of the participating jurisdictions and outside of the jurisdictions (by approval of the Authority). The regional entity accepts waste and refuse disposal, as such terms are defined in the Virginia Solid Waste Management Regulations, currently 9 VAC 20-80, et seq., including facilities for recycling, waste reduction and disposal alternatives with the ultimate goal of acquiring, financing, constructing, and/or operating and maintaining regional solid waste disposal areas, systems and facilities, all pursuant to the provisions of the Act.

Financial Reporting Entity

The Authority's governing body is comprised of four members appointed by each of the participating governments, City of Lynchburg and the Counties of Campbell, Nelson and Appomattox. Therefore, none of the participating governments appoint a voting majority of board members.

The Authority is perpetual. No participating government has rights to its resources or surpluses, nor is any participant specifically liable for the Authority's debts or deficits. However, the Authority's governing body may distribute excess revenue by voting majority in accordance with the *Member Use Agreement* dated June 20, 2008. The Authority also has the ability to finance its capital projects through user charges or the sale of revenue bonds.

Based on the above representations, the Region 2000 Services Authority has been determined to be a jointly governed organization of the City of Lynchburg and the Counties of Campbell, Nelson, and Appomattox. The Authority is not a component unit of any of the participating governments.

For purposes of reporting entity disclosure, it should be noted that a separate entity, the Central Virginia Planning District Commission, provides administrative support services; however, each entity is operationally and legally independent.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basic Financial Statements

The Management's Discussion and Analysis (MD&A) section provides an analysis of the Authority's overall financial position and results of operations.

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Basic Financial Statements (Continued)

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

- Enterprise fund financial statements
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements
- Required Supplementary Information

B. Basis of Accounting

The Region 2000 Services Authority operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Cash and Cash Equivalents

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

D. Restricted Assets

The Authority reports restricted cash related to debt service and bond issuances. The accounts are reported separately on the statement of net position.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The Authority purchased the initial landfill cells and the landfill site from the City of Lynchburg and purchased an additional landfill site from the County of Campbell in fiscal year 2012. The landfill sites were valued by a consulting engineer. The engineer also estimated the accrued landfill closure and related expenses. The remaining land area of the landfill sites are reported at their value as a landfill site. The landfill sites will be depreciated over the remaining useful lives.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------------|--------------|
| Buildings and Fixtures | 15 |
| Other Site Improvements | 15 |
| Equipment and Vehicles | 5 to 15 |
| Landfill Site | 15 |

Depreciation of landfill cell development and site costs is recorded based on remaining units of capacity. Total depreciation for the years ended June 30, 2025 and 2024 was \$2,243,455 and \$2,965,175, respectively.

F. Accounts Receivable

Accounts receivable are stated at book value utilizing the direct write-off method for uncollectible accounts. Therefore, no allowance for uncollectible amounts is recognized.

G. Use of Estimates

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H. Closure and Post-Closure Obligations

The Authority records all estimated closure costs for existing cells as a liability. Upon final closure of the landfill site, the Authority is then responsible, under current Federal regulations, for maintaining the closed site for the following thirty years.

I. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

J. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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.

K. Deferred Outflows/Inflows of Resources

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

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

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

L. Pensions

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

M. Other Postemployment Benefits (OPEB)

Group Life Insurance

For purposes of measuring the net GLI OPEB Plan liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS GLI 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.

N. Investments

Money market investments that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

NOTE 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.

The Authority has no formal deposit and investment policy.

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Investments

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

| Authority's Rated Debt Investments' Values | | |
|--|--------------|------------|
| Rated Debt Investments | Fair Quality | |
| | Ratings | |
| | AAAm | |
| Local Government Investment Pool | \$ | 17,687,979 |
| U.S. Treasury Obligation Money Market Fund | | 811,845 |
| Total | \$ | 18,499,824 |

Interest Rate Risk

| | Investment | |
|----------------------------------|-----------------------|------------------|
| | Maturities (in years) | |
| | Value | Less Than 1 Year |
| Local Government Investment Pool | \$ 17,687,979 | \$ 17,687,979 |
| | \$ 17,687,979 | \$ 17,687,979 |

External Investment Pool

The value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Fair Value Measures

Fair value for investments is determined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three-level fair value hierarchy prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Significant observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Authority has the following fair value measurements as of June 30, 2025:

| Fair Value Measurements at Reporting Date Using | | | | |
|---|---------------------------|---|---|--|
| | Total June 30, 2024 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| U.S. Treasury Obligation Money Market Fund | \$ 811,845 | \$ 811,845 | \$ - | \$ - |
| Total by fair value level | \$ 811,845 | \$ 811,845 | \$ - | \$ - |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 4—CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2025 follows:

| | Balance July 1, 2024 | Increases | Decreases | Balance June 30, 2025 |
|--|----------------------------|----------------|-----------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$ - | \$ - | \$ - | \$ - |
| Total capital assets not being depreciated | \$ - | \$ - | \$ - | \$ - |
| Other Capital Assets: | | | | |
| Buildings and fixtures | \$ 3,329,305 | \$ - | \$ - | \$ 3,329,305 |
| Accumulated depreciation | (3,329,300) | - | - | (3,329,300) |
| Other site improvements | 6,018,942 | - | - | 6,018,942 |
| Accumulated depreciation | (5,068,318) | (181,658) | - | (5,249,976) |
| Landfill site | 24,344,423 | - | - | 24,344,423 |
| Accumulated depreciation | (14,160,494) | (1,599,150) | - | (15,759,644) |
| Equipment and vehicles | 6,763,765 | 375,530 | - | 7,139,295 |
| Accumulated depreciation | (5,613,008) | (462,647) | - | (6,075,655) |
| Other capital assets, net | \$ 12,285,315 | \$ (1,867,925) | \$ - | \$ 10,417,390 |
| Capital assets, net | \$ 12,285,315 | \$ (1,867,925) | \$ - | \$ 10,417,390 |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 4—CAPITAL ASSETS: (CONTINUED)

A summary of changes in capital assets for the year ended June 30, 2024 follows:

| | Balance July 1, 2023 | Increases | Decreases | Balance June 30, 2024 |
|--|----------------------------|----------------|------------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$ 171,509 | \$ - | \$ 171,509 | \$ - |
| Total capital assets not being depreciated | \$ 171,509 | \$ - | \$ 171,509 | \$ - |
| Other Capital Assets: | | | | |
| Buildings and fixtures | \$ 3,329,305 | \$ - | \$ - | \$ 3,329,305 |
| Accumulated depreciation | (3,028,849) | (300,451) | - | (3,329,300) |
| Other site improvements | 5,847,433 | 171,509 | - | 6,018,942 |
| Accumulated depreciation | (4,715,022) | (353,296) | - | (5,068,318) |
| Landfill site | 24,344,423 | - | - | 24,344,423 |
| Accumulated depreciation | (12,413,097) | (1,747,397) | - | (14,160,494) |
| Equipment and vehicles | 6,617,087 | 239,777 | 93,099 | 6,763,765 |
| Accumulated depreciation | (5,142,076) | (564,031) | (93,099) | (5,613,008) |
| Other capital assets, net | \$ 14,839,204 | \$ (2,553,889) | \$ - | \$ 12,285,315 |
| Capital assets, net | \$ 15,010,713 | \$ (2,553,889) | \$ 171,509 | \$ 12,285,315 |

NOTE 5—COMPENSATED ABSENCES:

Authority regular employees earn vacation leave each month at a scheduled rate from eight hours to twelve hours per month in accordance with years of service and sick leave at the rate of eight hours per month. Vacation leave can be accrued up to a maximum of 240 hours and sick leave can be accrued up to a maximum of 1,200 hours. Employees covered as VRS Hybrid employees can accrue a maximum of 80 hours sick leave. Sick leave is paid to the employee at a rate of \$20 per day. Accumulated unpaid vacation and sick leave amounts are accrued when incurred. At June 30, 2025 and 2024, the liability for accrued vacation and sick leave was \$71,797 and \$76,835, respectively.

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 6—LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions for the year ended June 30, 2025:

| | Balance July 1, 2024 | Issuances/ Additions | Retirements/ Reductions | Balance June 30, 2025 | Due Within One Year |
|---|----------------------------|-------------------------|----------------------------|-----------------------------|------------------------|
| Landfill closure/post-closure | \$ 15,865,532 | \$ 1,315,837 | \$ - | \$ 17,181,369 | \$ - |
| Revenue bonds: | | | | | |
| Direct borrowings and direct placements | 7,581,000 | - | 3,009,000 | 4,572,000 | 1,122,000 |
| Net OPEB liability - group life insurance | 49,290 | 23,353 | 29,826 | 42,817 | - |
| Net OPEB liability - health insurance | 271,566 | 19,106 | 25,331 | 265,341 | - |
| Compensated absences | 76,835 | - | 5,038 | 71,797 | 71,797 |
| Totals | <u>\$ 23,844,223</u> | <u>\$ 1,358,296</u> | <u>\$ 3,069,195</u> | <u>\$ 22,133,324</u> | <u>\$ 1,193,797</u> |

The following is a summary of long-term obligation transactions for the year ended June 30, 2024:

| | Balance July 1, 2023 | Issuances/ Additions | Retirements/ Reductions | Balance June 30, 2024 | Due Within One Year |
|---|----------------------------|-------------------------|----------------------------|-----------------------------|------------------------|
| Landfill closure/post-closure | \$ 14,175,575 | \$ 1,689,957 | \$ - | \$ 15,865,532 | \$ - |
| Revenue bonds: | | | | | |
| Direct borrowings and direct placements | 10,536,500 | - | 2,955,500 | 7,581,000 | 3,009,000 |
| Net OPEB liability - group life insurance | 51,531 | 28,156 | 30,397 | 49,290 | - |
| Net OPEB liability - health insurance | 408,161 | 24,181 | 160,776 | 271,566 | - |
| Compensated absences | 61,411 | 15,424 | - | 76,835 | 76,835 |
| Totals | <u>\$ 25,233,178</u> | <u>\$ 1,757,718</u> | <u>\$ 3,146,673</u> | <u>\$ 23,844,223</u> | <u>\$ 3,085,835</u> |

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

| Year Ending June 30, | Direct Borrowings and Direct Placements | |
|-------------------------|--|-------------------|
| | Revenue Bonds | |
| | Principal | Interest |
| 2026 | \$ 1,122,000 | \$ 56,693 |
| 2027 | 1,136,000 | 42,780 |
| 2028 | 1,150,000 | 28,694 |
| 2029 | 1,164,000 | 14,434 |
| Total | <u>\$ 4,572,000</u> | <u>\$ 142,601</u> |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 6—LONG-TERM OBLIGATIONS: (CONTINUED)

Details of long-term obligations:

| | Total Amount | Amount Due Within One Year |
|---|-------------------------|---|
| Direct Borrowings and Direct Placements - Revenue Bonds: | | |
| \$6,775,000 Revenue Bonds Series 2021 dated December 15, 2021 with principal payable annually starting February 1, 2024 in installments ranging from \$1,095,000 to \$1,164,000 and interest payable semi-annually at 1.24% ranging from \$14,434 to \$94,745, maturing February 1, 2029. | 4,572,000 | 1,122,000 |
| Total revenue bonds | \$ 4,572,000 | \$ 1,122,000 |
| Compensated absences | \$ 71,797 | \$ 71,797 |
| Net OPEB liability - health insurance | \$ 265,341 | \$ - |
| Net OPEB liability - group life insurance | \$ 42,817 | \$ - |
| Landfill closure and post-closure costs | \$ 17,181,369 | \$ - |
| Total long-term debt obligations | \$ 22,133,324 | \$ 1,193,797 |

NOTE 7—PENSION PLAN:

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment, through the Central Virginia Planning District Commission. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. However, several entities participate in the VRS plan through Central Virginia Planning District Commission and the participating entities report their proportionate information on the basis of a cost-sharing plan. 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.

NOTE 7—PENSION PLAN: (CONTINUED)

Benefit Structures

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

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

NOTE 7—PENSION PLAN: (CONTINUED)

Contributions

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

The Authority’s contractually required employer contribution rates for the years ended June 30, 2025 and 2024 were 0.19% and 1.31%, respectively, of covered employee compensation. The rates are based on actuarially determined rates from actuarial valuations as of June 30, 2023 and 2021, respectively.

The rates, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$1,917 and \$12,676 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$ 6,476 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$7,997 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$647,600 for the year ended June 30, 2025.

Net Pension Asset

At June 30, 2025 and 2024, the Authority reported an asset of \$788,150 and \$755,621, respectively, for its proportionate share of the net pension asset. The Authority’s net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The Authority’s proportionate share was calculated using contributions paid to the plan during the year ended June 30, 2025 as a basis for allocation. At June 30, 2024 and 2023, the Authority’s proportionate shares were 60.52% and 59.22%, respectively.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Authority’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

| | |
|---------------------------------------|---|
| 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 |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 7—PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

| | |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age |
| Withdrawal Rates | Adjusted rates to better fit experience at each 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 |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 7—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

| Asset Class (Strategy) | Long-Term Target Asset Allocation | Arithmetic Long-term Expected Rate of Return | Weighted Average Long-term Expected Rate of Return* |
|---------------------------------------|---|--|---|
| Public Equity | 32.00% | 6.70% | 2.14% |
| Fixed Income | 16.00% | 5.40% | 0.86% |
| Credit Strategies | 16.00% | 8.10% | 1.30% |
| Real Assets | 15.00% | 7.20% | 1.08% |
| Private Equity | 15.00% | 8.70% | 1.31% |
| PIP - Private Investment Partnerships | 1.00% | 8.00% | 0.08% |
| Diversifying Strategies | 6.00% | 5.80% | 0.35% |
| Cash | 2.00% | 3.00% | 0.06% |
| Leverage | -3.00% | 3.50% | -0.11% |
| Total | 100.00% | | 7.07% |
| | Expected arithmetic nominal return** | | 7.07% |

* The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%.

** On June 15, 2023, the VRS Board elected a long-term rate of return 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

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 7—PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 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.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

| Authority's Proportionate Share of the Commission's Net Pension Liability (Asset) | Rate | | |
|--|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| June 30, 2025 | \$ (474,948) | \$ (788,150) | \$ (1,039,089) |
| June 30, 2024 | \$ (472,411) | \$ (755,621) | \$ (1,033,536) |

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

For the year ended June 30, 2025, the Authority recognized pension expense of (\$20,587). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. At June 30, 2025, the 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 | \$ 48,836 | \$ |
| Change in assumptions | | |
| Net difference between projected and actual earnings on pension plan investments | - | 88,860 |
| Employer contributions subsequent to the measurement date | 1,917 | - |
| Total | \$ 50,753 | \$ 88,860 |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 7—PENSION PLAN: (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

For the year ended June 30, 2024, the Authority recognized pension expense of (\$30,713). At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 31,628 | \$ 30,939 |
| Change in assumptions | 903 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 43,302 |
| Employer contributions subsequent to the measurement date | 12,676 | - |
| Total | <u>\$ 45,207</u> | <u>\$ 74,241</u> |

\$1,917 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction/addition of the Net Pension Liability/Asset in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30

| | |
|------------|-------------|
| 2026 | \$ (32,218) |
| 2027 | 30,034 |
| 2028 | (18,209) |
| 2029 | (19,631) |
| 2030 | - |
| Thereafter | - |

\$12,676 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction (increase) of the Net Pensions Liability/Asset in the fiscal year ending 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 in future reporting periods as follows:

Year ended June 30

| | |
|------------|-------------|
| 2025 | \$ (36,138) |
| 2026 | (50,590) |
| 2027 | 43,624 |
| 2028 | 1,394 |
| 2029 | - |
| Thereafter | - |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 7—PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 8—CLOSURE AND POST-CLOSURE CARE COSTS:

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

The Authority purchased the "Concord" landfill site from the City of Lynchburg in fiscal year 2009. As part of the purchase agreement the Authority assumed the landfill closure and post-closure liability and received cash reserves equal to the liability less current costs paid. The amount recorded as post-closure care costs was \$2,868,052 at June 30, 2025. The post-closure care costs for the Concord site are based on the use of 100% of the landfill capacity at June 30, 2025. The Authority will recognize any remaining costs of closure and post-closure care and post-closure monitoring as the closure is completed.

During fiscal year 2012, the Authority purchased the "Livestock Road" site from the County of Campbell whereby assuming all related closure and post-closure liabilities. These amounts are based on what it would cost to perform all closure and post-closure care in 2025. The amounts recorded as accrued landfill closure and post-closure care costs were \$8,376,093 and \$5,937,224, respectively, at June 30, 2025. The total closure and post-closure care costs reported in the amount of \$14,313,317 for the Livestock Road site is based on the use of the open and permitted landfill capacity at June 30, 2025 of 97% of Phase III, 93% of Phase IV, and 45% of Phase V. The Authority will recognize any remaining costs of closure and post-closure care and post-closure monitoring as the closure is completed.

Total closure and post-closure liability for the Authority at June 30, 2025 was \$8,376,093 and \$5,937,224, respectively. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Authority is required by state and federal laws and regulations to meet certain financial assurance requirements. On behalf of the Authority the participating localities will demonstrate financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with section 9VAC-20-70 of the Virginia Administrative Code. The Authority has designated cash in the amount of \$6,057,501 at June 30, 2025 to meet future closure and post-closure care costs.

NOTE 9—RISK MANAGEMENT:

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is a member of VACORP, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The Authority pays an annual premium to the pool for its liability, property and its share of workers compensation coverage.

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Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS:

HEALTH INSURANCE

Plan Description

In addition to the pension benefits described in Note 7, the Authority administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the Authority’s pension plans. The plan does not issue a publicly available financial report. Similar to all other payroll items, benefits and functions, the Authority employees are under the auspice of the Central Virginia Planning District Commission.

Benefits Provided

Participants in the Region 2000 Services Authority OPEB plan must meet the eligibility requirements for retirement of the Virginia Retirement System to be eligible for benefits upon retirement. Participants must also retire directly from active service and meet one of the following criteria to be eligible:

Participants Hired by the Authority before July 1, 2006: Attain the age of 50 with at least 10 years of consecutive service with the Authority.

Participants Hired by the Authority on or after July 1, 2006, but before April 17, 2009: Attain the age of 50 with at least 20 years of consecutive service with the Authority.

Participants Hired by the Authority on or after April 17, 2009: Not eligible to continue medical coverage into retirement.

Plan Membership

At June 30, 2025 (measurement date), the following employees were covered by the benefit terms (includes Region 2000 Services Authority and Central Virginia Planning District Commission employees):

| | |
|--------------------------------------|-----------------|
| Total active employees with coverage | <u>5</u> |
| Total | <u><u>5</u></u> |

Contributions

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Authority. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2025 was \$4,669.

Total OPEB Liability

The Authority’s total OPEB liability was measured as of June 30, 2025. The total OPEB liability was determined by an actuarial valuation as of January 1, 2024.

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

HEALTH INSURANCE: (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|------------------|---|
| Inflation | 2.50% per year as of June 30, 2024; 2.50% per year as of June 30, 2025 |
| Salary Increases | Graded scale |
| Discount Rate | 3.93% as of June 30, 2024; 5.20% as of June 30, 2025 |

Discount Rate

The discount rate used to determine the liabilities under GASB 75 is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 5.20% as of June 30, 2025 and 3.93% as of June 30, 2024.

Changes in Total OPEB Liability

| | | Total OPEB Liability |
|--|----|-----------------------------|
| Balances at June 30, 2024 | \$ | 271,566 |
| Changes for the year: | | |
| Service cost | | 8,202 |
| Interest | | 10,904 |
| Effect of assumption changes or inputs | | (20,662) |
| Benefit payments | | (4,669) |
| Net changes | | (6,225) |
| Balances at June 30, 2025 | \$ | 265,341 |
| | | Total OPEB Liability |
| Balances at June 30, 2023 | \$ | 408,161 |
| Changes for the year: | | |
| Service cost | | 8,994 |
| Interest | | 15,187 |
| Effect of assumption changes or inputs | | (590) |
| Benefit payments | | (2,136) |
| Net changes | | (136,595) |
| Balances at June 30, 2024 | \$ | 271,566 |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

HEALTH INSURANCE: (CONTINUED)

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

The following amounts present the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current discount rate:

| | | Rate | | |
|---------------|----|------------------------|-----------------------------|------------------------|
| | | 1% Decrease (4.20%) | Current Discount (5.20%) | 1% Increase (6.20%) |
| June 30, 2025 | \$ | 280,486 | \$ 265,341 | \$ 250,437 |
| | | 1% Decrease (2.93%) | Current Discount (3.93%) | 1% Increase (4.93%) |
| June 30, 2024 | \$ | 286,910 | \$ 271,566 | \$ 256,120 |

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

The following presents the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

| | | Healthcare Cost | | |
|---------------|----|------------------------------|-----------------------|------------------------------|
| | | 1% Decrease in Trend Rate | Current Trend Rate | 1% Increase in Trend Rate |
| June 30, 2025 | \$ | 240,738 | \$ 265,341 | \$ 292,655 |
| June 30, 2024 | \$ | 245,897 | \$ 271,566 | \$ 300,089 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2025, the Authority recognized OPEB expense in the amount of \$(20,352). At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 128,476 |
| Changes of assumptions | 5,669 | 28,383 |
| Total | \$ 5,669 | \$ 156,859 |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

HEALTH INSURANCE: (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the Authority recognized OPEB expense in the amount of (\$11,358). At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 162,246 |
| Changes of assumptions | 8,955 | 16,694 |
| Total | \$ 8,955 | \$ 178,940 |

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

| Year Ended June 30 | |
|--------------------|-------------|
| 2026 | \$ (39,461) |
| 2027 | (39,132) |
| 2028 | (30,348) |
| 2029 | (28,162) |
| 2030 | (14,087) |
| Thereafter | - |
| Year Ended June 30 | |
| 2025 | \$ (35,702) |
| 2026 | (35,705) |
| 2027 | (35,376) |
| 2028 | (26,592) |
| 2029 | (24,406) |
| Thereafter | (12,204) |

Additional disclosures on changes in total OPEB liability and related ratios can be found in the required supplementary information following the notes to the financial statements.

GROUP LIFE INSURANCE

Plan Description

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

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

GROUP LIFE INSURANCE: (CONTINUED)

Plan Description: (Continued)

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% 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, 2025, was 0.47% 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, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$4,741 and \$5,178 for the years ended June 30, 2025 and June 30, 2024, respectively.

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

GROUP LIFE INSURANCE: (CONTINUED)

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

At June 30, 2025, the entity reported a liability of \$42,817 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was 0.00384% as compared to 0.00411% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of (\$2,312). 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, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 6,754 | \$ 1,044 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 3,609 |
| Change in assumptions | 244 | 2,122 |
| Changes in proportionate share | 20 | 12,451 |
| Employer contributions subsequent to the measurement date | <u>4,741</u> | <u>-</u> |
| Total | <u>\$ 11,759</u> | <u>\$ 19,226</u> |

\$4,741 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, 2026. 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:

| <u>Year Ended June 30</u> | |
|---------------------------|------------|
| 2026 | \$ (5,938) |
| 2027 | (3,030) |
| 2028 | (2,098) |
| 2029 | (1,151) |
| 2030 | 9 |
| Thereafter | - |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**GROUP LIFE INSURANCE: (CONTINUED)*****GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB: (Continued)***

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 | \$ 4,923 | \$ 1,496 |
| Net difference between projected and actual earnings on GLI OPEB program investments | - | 1,981 |
| Change in assumptions | 1,054 | 3,415 |
| Changes in proportionate share | 748 | 11,828 |
| Employer contributions subsequent to the measurement date | 5,178 | - |
| Total | <u>\$ 11,903</u> | <u>\$ 18,720</u> |

\$5,178 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:

| <u>Year Ended June 30</u> | |
|----------------------------------|------------|
| 2025 | \$ (2,868) |
| 2026 | (5,266) |
| 2027 | (2,173) |
| 2028 | (1,324) |
| 2029 | (364) |
| Thereafter | - |

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

GROUP LIFE INSURANCE: (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

- Pre-Retirement:
 Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement:
 Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement:
 Pub-2010 Amount Weighted General 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
- Post-Disablement:
 Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

GROUP LIFE INSURANCE: (CONTINUED)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

| | | GLI OPEB Plan |
|--|----|------------------|
| Total GLI OPEB Liability | \$ | 4,196,055 |
| Plan Fiduciary Net Position | | 3,080,133 |
| GLI Net OPEB Liability (Asset) | \$ | 1,115,922 |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability | | 73.41% |

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.

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements

As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**GROUP LIFE INSURANCE: (CONTINUED)*****Long-Term Expected Rate of Return***

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

| Asset Class (Strategy) | Long-Term Target Asset Allocation | Arithmetic Long-term Expected Rate of Return | Weighted Average Long-term Expected Rate of Return* |
|---------------------------------------|--|---|--|
| Public Equity | 32.00% | 6.70% | 2.14% |
| Fixed Income | 16.00% | 5.40% | 0.86% |
| Credit Strategies | 16.00% | 8.10% | 1.30% |
| Real Assets | 15.00% | 7.20% | 1.08% |
| Private Equity | 15.00% | 8.70% | 1.31% |
| PIP - Private Investment Partnerships | 1.00% | 8.00% | 0.08% |
| Diversifying Strategies | 6.00% | 5.80% | 0.35% |
| Cash | 2.00% | 3.00% | 0.06% |
| Leverage | -3.00% | 3.50% | -0.11% |
| Total | <u>100.00%</u> | | <u>7.07%</u> |
| | Expected arithmetic nominal return** | | <u>7.07%</u> |

*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption. 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 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which is 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 ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

GROUP LIFE INSURANCE: (CONTINUED)

Discount Rate: (Continued)

rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 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:

| Authority's Proportionate Share of the Commission's GLI OPEB Liability (Asset) | Rate | | |
|---|------------------------|-----------------------------|------------------------|
| | 1% Decrease (5.75%) | Current Discount (6.75%) | 1% Increase (7.75%) |
| June 30, 2025 | \$ 66,587 | \$ 42,817 | \$ 23,615 |
| June 30, 2024 | \$ 73,063 | \$ 49,290 | \$ 30,070 |

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Aggregate OPEB Information

| Year ended June 30, 2025 | Deferred Outflows | Deferred Inflows | Net OPEB Liability | OPEB Expense |
|--|----------------------|---------------------|-----------------------|--------------------|
| VRS GLI Plan (Note 10) | \$ 11,759 | \$ 19,226 | \$ 42,817 | \$ (2,312) |
| Authority's Stand-Alone Plan (Note 10) | 5,669 | 156,859 | 265,341 | (20,352) |
| Totals | <u>\$ 17,428</u> | <u>\$ 176,085</u> | <u>\$ 308,158</u> | <u>\$ (22,664)</u> |

REGION 2000 SERVICES AUTHORITY

Notes to Financial Statements
As of June 30, 2025 and 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Aggregate OPEB Information: (Continued)

| <u>Year ended June 30, 2024</u> | <u>Deferred Outflows</u> | <u>Deferred Inflows</u> | <u>Net OPEB Liability</u> | <u>OPEB Expense</u> |
|--|------------------------------|-----------------------------|-------------------------------|-------------------------|
| VRS GLI Plan (Note 10) | \$ 11,903 | \$ 18,720 | \$ 49,290 | \$ 11 |
| Authority's Stand-Alone Plan (Note 10) | 8,955 | 178,940 | 271,566 | (11,358) |
| Totals | <u>\$ 20,858</u> | <u>\$ 197,660</u> | <u>\$ 320,856</u> | <u>\$ (11,347)</u> |

NOTE 11—UPCOMING PRONOUNCEMENTS:

Statement No. 103, *Financial Reporting Model Improvements*, improves 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update-2025*, effective for fiscal years beginning after June 15, 2025.

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

NOTE 12—END OF SOLID WASTE COLLECTION:

On January 7, 2025, a rezoning request to add necessary capacity to continue landfill operations was denied by the Campbell County Board of Supervisors. This will effectively end municipal solid waste collection by the Region 2000 Services Authority by early 2029.

Required Supplementary Information

Schedule of Authority's Proportionate Share of the Net Pension Asset
For the Measurement Dates of June 30, 2015 through June 30, 2024

| Measurement Date | Authority's Proportion of the Net Pension Asset (NPA) | Authority's Proportionate Share of the NPA (a) | Authority's Covered Payroll (b) | Authority's Proportionate Share of the NPA as a Percentage of Covered Payroll (a)/(b) | Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) |
|------------------|---|--|---------------------------------|---|--|
| 2024 | 60.52% \$ | 827,289 \$ | 964,025 | 85.82% | 134.05% |
| 2023 | 59.22% | 755,621 | 917,221 | 82.38% | 136.03% |
| 2022 | 56.09% | 795,459 | 931,013 | 85.44% | 140.97% |
| 2021 | 56.09% | 860,677 | 929,273 | 92.62% | 146.22% |
| 2020 | 56.09% | 456,125 | 965,472 | 47.24% | 129.29% |
| 2019 | 51.86% | 572,727 | 942,065 | 60.79% | 141.39% |
| 2018 | 51.86% | 552,463 | 909,920 | 60.72% | 145.61% |
| 2017 | 51.86% | 496,106 | 877,040 | 56.57% | 146.06% |
| 2016 | 57.30% | 357,770 | 944,388 | 37.88% | 131.99% |
| 2015 | 57.30% | 395,219 | 961,770 | 41.09% | 141.90% |

Schedule of Employer Contributions - Pension Plan
 Years Ended June 30, 2016 through June 30, 2025

| Fiscal Year | Contractually Required Contribution* | Contributions in Relation to Contractually Required Contribution* | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a % of Covered Payroll |
|--------------------|---|--|---|-----------------------------------|--|
| 2025 | \$ 1,875 | \$ 1,875 | \$ - | \$ 1,008,698 | 0.19% |
| 2024 | 12,676 | 12,676 | - | 964,025 | 1.31% |
| 2023 | 24,581 | 24,581 | - | 917,221 | 2.68% |
| 2022 | 34,384 | 34,384 | - | 931,013 | 3.69% |
| 2021 | 33,847 | 33,847 | - | 929,273 | 3.64% |
| 2020 | 42,049 | 42,049 | - | 965,472 | 4.36% |
| 2019 | 43,217 | 43,217 | - | 942,065 | 4.59% |
| 2018 | 59,053 | 59,053 | - | 909,920 | 6.49% |
| 2017 | 56,591 | 56,591 | - | 877,040 | 6.45% |
| 2016 | 70,434 | 70,434 | - | 944,388 | 7.46% |

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

Notes to Required Supplementary Information - Pension Plan
Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

| | |
|---|--|
| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 |
| Retirement Rates | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age |
| Withdrawal Rates | Adjusted rates to better fit experience at each 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 |

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Health Insurance
Years Ended June 30, 2018 through June 30, 2025

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|---------------------|-------------------|
| Total OPEB liability | | | | | | | | |
| Service cost | \$ 15,407 | \$ 14,931 | \$ 15,483 | \$ 19,129 | \$ 18,289 | \$ 14,789 | \$ 8,994 | \$ 8,202 |
| Interest | 11,864 | 13,676 | 13,718 | 9,252 | 9,620 | 13,623 | 15,187 | 10,904 |
| Changes in assumptions | (11,097) | 11,228 | 6,261 | 1,395 | (32,345) | 11,700 | (590) | (20,662) |
| Changes in Economic/Demographic | | | | | | | | |
| Gains or Losses | - | - | (10,168) | - | (49,617) | - | (158,050) | - |
| Benefit payments | (1,066) | (1,556) | (2,045) | (2,484) | (1,922) | (4,013) | (2,136) | (4,669) |
| Net change in total OPEB liability | \$ 15,108 | \$ 38,279 | \$ 23,249 | \$ 27,292 | \$ (55,975) | \$ 36,099 | \$ (136,595) | \$ (6,225) |
| Total OPEB liability - beginning | 324,109 | 339,217 | 377,496 | 400,745 | 428,037 | 372,062 | 408,161 | 271,566 |
| Total OPEB liability - ending | \$ 339,217 | \$ 377,496 | \$ 400,745 | \$ 428,037 | \$ 372,062 | \$ 408,161 | \$ 271,566 | \$ 265,341 |
| Covered-employee payroll | \$ 697,782 | \$ 725,314 | \$ 704,359 | \$ 709,247 | \$ 803,233 | \$ 797,770 | \$ 424,903 | \$ 421,587 |
| Authority's total OPEB liability (asset) as a percentage of covered-employee payroll | 48.61% | 52.05% | 56.90% | 60.35% | 46.32% | 51.16% | 63.91% | 62.94% |

This schedule is intended to show information for 10 years. Fiscal year 2018 is the first year for this presentation, no other data is

Notes to Required Supplementary Information - OPEB - Health Insurance
Year Ended June 30, 2025

Valuation Date: January 1, 2024

Measurement Date: June 30, 2025

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

| | |
|-------------------------|--|
| Actuarial Cost Method | Entry Age Normal cost method |
| Discount Rate | 5.20% as of June 30, 2025 |
| Inflation | 2.50% per year as of June 30, 2024 |
| Healthcare Trend Rate | 6.20% - 3.90% over 50 years |
| Salary Increase Rates | Salary increase rates of 3.50% - 5.35% including inflation |
| Demographic Assumptions | Assumed 90% of future retirees under normal retirement will elect to continue medical coverage and 60% under normal retirement that will also elect to cover their spouse. Assumed 30% of participants retiring due to disability before normal retirement eligibility will elect coverage and include their spouse. |

Schedule of Authority's Share of Net OPEB Liability - Group life insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2024

| Date | Employer's Proportion of the Net GLI OPEB Liability (Asset) | Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (a) | Employer's Covered Payroll (b) | Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (a)/(b) | Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability |
|-------------|--|---|---|--|--|
| 2024 | 0.00384% | \$ 42,817 | \$ 964,025 | 4.44% | 73.41% |
| 2023 | 0.00411% | 49,290 | 917,221 | 5.37% | 69.30% |
| 2022 | 0.00426% | 51,531 | 931,013 | 5.53% | 67.21% |
| 2021 | 0.00449% | 52,373 | 929,273 | 5.64% | 67.45% |
| 2020 | 0.00508% | 84,712 | 965,472 | 8.77% | 52.64% |
| 2019 | 0.00520% | 78,229 | 942,065 | 8.30% | 52.00% |
| 2018 | 0.00518% | 72,604 | 909,920 | 7.98% | 51.22% |
| 2017 | 0.00454% | 63,269 | 877,040 | 7.21% | 48.86% |

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Schedule of Employer Contributions - Group life insurance (GLI) Plan
 Years Ended June 30, 2017 through June 30, 2025

| Date | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Payroll | Contributions as a % of Covered Payroll |
|-------------|--|---|---|---|--|
| 2025 | \$ 4,639 | \$ 4,639 | \$ - | \$ 1,008,698 | 0.46% |
| 2024 | 5,178 | 5,178 | - | 964,025 | 0.54% |
| 2023 | 5,055 | 5,055 | - | 917,221 | 0.55% |
| 2022 | 5,027 | 5,027 | - | 931,013 | 0.54% |
| 2021 | 5,018 | 5,018 | - | 929,273 | 0.54% |
| 2020 | 4,953 | 4,953 | - | 965,472 | 0.52% |
| 2019 | 4,868 | 4,868 | - | 942,065 | 0.52% |
| 2018 | 4,768 | 4,768 | - | 909,920 | 0.52% |
| 2017 | 4,595 | 4,595 | - | 877,040 | 0.52% |

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Notes to Required Supplementary Information - Group life insurance (GLI) Plan
Year Ended June 30, 2025

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

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Statistical Information

Net Position by Component
Last Ten Fiscal Years

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net investment in capital assets | \$ 6,768,962 | \$ 7,285,351 | \$ 6,934,584 | \$ 6,819,840 | \$ 6,064,664 |
| Restricted - net pension asset | 788,150 | 755,621 | 795,459 | 860,677 | 456,125 |
| Unrestricted (deficit) | <u>2,143,379</u> | <u>957,518</u> | <u>857,581</u> | <u>300,809</u> | <u>(742,627)</u> |
| Total net position | <u>\$ 9,700,491</u> | <u>\$ 8,998,490</u> | <u>\$ 8,587,624</u> | <u>\$ 7,981,326</u> | <u>\$ 5,778,162</u> |

- (1) In fiscal year 2015, the Authority implemented GASB Statement 68.
- (2) In fiscal year 2018, the Authority implemented GASB Statement 75.
- (3) In fiscal year 2020, the Authority changed the presentation of the restricted net position to include the net pension asset.

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Net Position by Component
Last Ten Fiscal Years

| | <u>2020 (3)</u> | <u>2019</u> | <u>2018 (2)</u> | <u>2017</u> | <u>2016</u> |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net investment in capital assets | \$ 6,083,409 | \$ 5,586,018 | \$ 4,798,038 | \$ 4,030,792 | \$ 5,707,701 |
| Restricted - net pension asset | 572,727 | - | - | - | - |
| Unrestricted (deficit) | <u>1,949,157</u> | <u>1,174,008</u> | <u>63,948</u> | <u>275,481</u> | <u>(1,371,462)</u> |
| Total net position | <u>\$ 8,605,293</u> | <u>\$ 6,760,026</u> | <u>\$ 4,861,986</u> | <u>\$ 4,306,273</u> | <u>\$ 4,336,239</u> |

- (1) In fiscal year 2015, the Authority implemented GASB Statement 68.
- (2) In fiscal year 2018, the Authority implemented GASB Statement 75.
- (3) In fiscal year 2020, the Authority changed the presentation of the restricted net position to include the net pension asset.

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Changes in Net Position
Last Ten Fiscal Years

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|--------------|--------------|--------------|--------------|----------------|
| Operating revenues: | | | | | |
| Tipping fees | \$ 7,400,474 | \$ 7,264,930 | \$ 7,335,877 | \$ 7,574,992 | \$ 7,475,452 |
| Recycling revenues | 8,864 | 8,706 | 4,706 | 3,144 | 3,805 |
| Penalties and interest | 40,470 | 62,742 | 55,208 | 29,031 | 29,029 |
| Other revenue | 38,553 | 62,987 | 65,180 | 52,542 | 50,801 |
| Total operating revenues | \$ 7,488,361 | \$ 7,399,365 | \$ 7,460,971 | \$ 7,659,709 | \$ 7,559,087 |
| Return of excess revenues to participating localities | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total operating revenue (net of reimbursement) | \$ 7,488,361 | \$ 7,399,365 | \$ 7,460,971 | \$ 7,659,709 | \$ 7,559,087 |
| Operating expenses: | | | | | |
| Personnel costs | \$ 1,347,506 | \$ 1,309,071 | \$ 1,257,615 | \$ 1,243,271 | \$ 1,363,219 |
| Contractual, legal and professional | 516,861 | 321,736 | 404,143 | 359,626 | 440,737 |
| Other operating costs | 1,583,891 | 1,361,284 | 1,454,035 | 1,228,113 | 1,308,370 |
| Landfill closure and post-closure expense | 1,853,144 | 1,816,765 | 1,569,090 | 352,945 | 4,564,679 |
| Depreciation | 2,243,455 | 2,965,175 | 2,580,628 | 1,968,466 | 2,103,602 |
| Total operating expenses | \$ 7,544,857 | \$ 7,774,031 | \$ 7,265,511 | \$ 5,152,421 | \$ 9,780,607 |
| Operating income (loss) | \$ (56,496) | \$ (374,666) | \$ 195,460 | \$ 2,507,288 | \$ (2,221,520) |
| Nonoperating revenues (expenses): | | | | | |
| Interest earned | \$ 831,765 | \$ 857,611 | \$ 542,644 | \$ 37,666 | \$ 12,587 |
| Participating governments contributions | - | 20,675 | 44,482 | 28,819 | 7,518 |
| Gain (loss) on sale of assets | - | 22,806 | - | (94,066) | 183,500 |
| Other nonoperating revenues (expenses) | 13,968 | - | - | - | - |
| Interest expense | (74,076) | (128,720) | (176,290) | (276,543) | (236,489) |
| Total nonoperating revenues (expenses) | \$ 771,657 | \$ 772,372 | \$ 410,836 | \$ (304,124) | \$ (32,884) |
| Change in net position | \$ 715,161 | \$ 397,706 | \$ 606,296 | \$ 2,203,164 | \$ (2,254,404) |

Changes in Net Position
Last Ten Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------------|--------------|----------------|--------------|----------------|
| Operating revenues: | | | | | |
| Tipping fees | \$ 6,877,971 | \$ 7,187,563 | \$ 7,009,684 | \$ 6,699,464 | \$ 7,049,449 |
| Recycling revenues | 1,302 | 1,975 | 28,849 | 55,682 | 54,003 |
| Penalties and interest | 23,729 | 27,774 | 14,618 | 18,483 | 9,014 |
| Other revenue | 51,375 | 46,975 | 50,301 | 48,508 | 50,777 |
| Total operating revenues | \$ 6,954,377 | \$ 7,264,287 | \$ 7,103,452 | \$ 6,822,137 | \$ 7,163,243 |
| Return of excess revenues to participating localities | \$ - | \$ - | \$ (1,207,540) | \$ (953,793) | \$ (1,159,630) |
| Total operating revenue (net of reimbursement) | \$ 6,954,377 | \$ 7,264,287 | \$ 5,895,912 | \$ 5,868,344 | \$ 6,003,613 |
| Operating expenses: | | | | | |
| Personnel costs | \$ 1,321,648 | \$ 1,312,278 | \$ 1,247,360 | \$ 1,247,160 | \$ 1,189,343 |
| Contractual, legal and professional | 454,194 | 404,826 | 373,761 | 411,900 | 402,665 |
| Other operating costs | 1,148,338 | 1,135,894 | 1,157,028 | 1,331,923 | 1,606,437 |
| Landfill closure and post-closure expense | 745,288 | 759,720 | 685,189 | 1,529,617 | 877,011 |
| Depreciation | 1,904,961 | 1,786,634 | 1,561,758 | 1,730,949 | 1,681,567 |
| Total operating expenses | \$ 5,574,429 | \$ 5,399,352 | \$ 5,025,096 | \$ 6,251,549 | \$ 5,757,023 |
| Operating income (loss) | \$ 1,379,948 | \$ 1,864,935 | \$ 870,816 | \$ (383,205) | \$ 246,590 |
| Nonoperating revenues (expenses): | | | | | |
| Interest earned | \$ 143,808 | \$ 212,036 | \$ 122,600 | \$ 50,159 | \$ 13,171 |
| Participating governments contributions | 10,651 | 16,710 | 13,077 | 726,508 | 34,341 |
| Gain (loss) on sale of assets | 18,600 | 133,600 | 607 | 8,961 | 152,100 |
| Other nonoperating revenues (expenses) | - | - | - | (10,274) | 5,000 |
| Interest expense | (280,467) | (329,241) | (376,441) | (422,115) | (465,276) |
| Total nonoperating revenues (expenses) | \$ (107,408) | \$ 33,105 | \$ (240,157) | \$ 353,239 | \$ (260,664) |
| Change in net position | \$ 1,272,540 | \$ 1,898,040 | \$ 630,659 | \$ (29,966) | \$ (14,074) |

Revenues by Source (Operating Revenues)
Last Ten Fiscal Years

| Fiscal Year | | Tipping Fees | | Recycling | | Penalties and Interest | | Other | | Total |
|------------------------|----|-------------------------|----|------------------|----|-----------------------------------|----|--------------|----|--------------|
| 2015 | \$ | 7,162,811 | \$ | 55,161 | \$ | 5,559 | \$ | 37,298 | \$ | 7,260,829 |
| 2016 | | 7,049,449 | | 54,003 | | 9,014 | | 50,777 | | 7,163,243 |
| 2017 | | 6,699,464 | | 55,682 | | 18,483 | | 48,508 | | 6,822,137 |
| 2018 | | 7,009,684 | | 28,849 | | 14,618 | | 50,301 | | 7,103,452 |
| 2019 | | 7,187,563 | | 1,975 | | 27,774 | | 46,975 | | 7,264,287 |
| 2020 | | 6,877,971 | | 1,302 | | 23,729 | | 51,375 | | 6,954,377 |
| 2021 | | 7,475,452 | | 3,805 | | 29,029 | | 50,801 | | 7,559,087 |
| 2022 | | 7,574,992 | | 3,144 | | 29,031 | | 52,542 | | 7,659,709 |
| 2023 | | 7,335,877 | | 4,706 | | 55,208 | | 65,180 | | 7,460,971 |
| 2024 | | 7,264,930 | | 8,706 | | 62,742 | | 62,987 | | 7,399,365 |
| 2025 | | 7,400,474 | | 8,864 | | 40,470 | | 38,553 | | 7,488,361 |

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Expenses by Type
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Personnel Costs</u> | <u>Contractual Legal and Professional</u> | <u>Other Operating Costs</u> | <u>Closure and Post-Closure</u> | <u>Depreciation</u> | <u>Total</u> |
|------------------------|----------------------------|---|--------------------------------------|---|---------------------|--------------|
| 2016 | \$ 1,189,343 | \$ 402,665 | \$ 1,606,437 | \$ 877,011 | 1,681,567 | 5,757,023 |
| 2017 | 1,247,160 | 411,900 | 1,331,923 | 1,529,617 | 1,730,949 | 6,251,549 |
| 2018 | 1,247,360 | 373,761 | 1,157,028 | 685,189 | 1,561,758 | 5,025,096 |
| 2019 | 1,312,278 | 404,826 | 1,135,894 | 759,720 | 1,786,634 | 5,399,352 |
| 2020 | 1,321,648 | 454,194 | 1,148,338 | 745,288 | 1,904,961 | 5,574,429 |
| 2021 | 1,363,219 | 440,737 | 1,308,370 | 4,564,679 | 2,103,602 | 9,780,607 |
| 2022 | 1,243,271 | 359,626 | 1,228,113 | 352,945 | 1,968,466 | 5,152,421 |
| 2023 | 1,257,615 | 404,143 | 1,454,035 | 1,569,090 | 2,580,628 | 7,265,511 |
| 2024 | 1,309,071 | 321,736 | 1,361,284 | 1,816,765 | 2,965,175 | 7,774,031 |
| 2025 | 1,347,506 | 516,861 | 1,583,891 | 1,853,144 | 2,243,455 | 7,544,857 |

Outstanding Liabilities by Type
Last Ten Fiscal Years

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue bonds | \$ 4,572,000 | \$ 7,581,000 | \$ 10,536,500 | \$ 12,357,000 | \$ 7,363,000 |
| Net/total OPEB obligation/liability | 308,158 | 320,856 | 459,692 | 424,435 | 512,749 |
| Compensated absences | 71,797 | 76,835 | 61,411 | 72,572 | 82,517 |
| Landfill closure and postclosure care costs | <u>17,181,369</u> | <u>15,865,532</u> | <u>14,175,575</u> | <u>12,796,663</u> | <u>12,606,513</u> |
| Total outstanding obligation | <u>\$ 22,133,324</u> | <u>\$ 23,844,223</u> | <u>\$ 25,233,178</u> | <u>\$ 25,650,670</u> | <u>\$ 20,564,779</u> |

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Outstanding Liabilities by Type
Last Ten Fiscal Years

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue bonds | \$ 9,008,000 | \$ 10,653,000 | \$ 12,250,000 | \$ 13,800,000 | \$ 15,305,000 |
| Net/total OPEB obligation/liability | 478,974 | 450,100 | 402,486 | 329,028 | 290,140 |
| Compensated absences | 89,901 | 75,074 | 74,405 | 82,539 | 97,479 |
| Landfill closure and postclosure care costs | <u>8,224,008</u> | <u>8,908,516</u> | <u>10,857,610</u> | <u>10,379,015</u> | <u>9,190,104</u> |
| Total outstanding obligation | <u>\$ 17,800,883</u> | <u>\$ 20,086,690</u> | <u>\$ 23,584,501</u> | <u>\$ 24,590,582</u> | <u>\$ 24,882,723</u> |

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Compliance



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

**To the Honorable Members of
Region 2000 Services Authority
Lynchburg, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Region 2000 Services Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Region 2000 Services Authority's basic financial statements and have issued our report thereon dated November 14, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Region 2000 Services Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Region 2000 Services Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Region 2000 Services Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Region 2000 Services 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.

Charlottesville, Virginia
November 14, 2025

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