

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NEW BERN, NORTH CAROLINA



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



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INTRODUCTION SECTION

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 - List of Principal Officials
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 - Location Map
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• **Administrative Offices:**

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New Bern, NC 28562

• **Mailing Address:**

Coastal Environmental Partnership
PO Box 128
Cove City, NC 28523



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• **Website:** www.cswma.com

July 12, 2024

Citizens of Carteret, Craven and Pamlico Counties, and
The Board of Directors, Coastal Regional Solid Waste Management Authority

Ladies and Gentlemen:

This Annual Comprehensive Financial Report (ACFR) for the Coastal Regional Solid Waste Management Authority (the Authority) containing the results of financial transactions occurring during the year ended June 30, 2023 is hereby presented for your review. The North Carolina Local Government Finance Act, North Carolina General Statute (NCGS) 159 Article 34 requires that the Authority have its accounts audited annually by a certified public accountant or by an accountant certified by the Local Government Commission (LGC) as qualified to audit local governments.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Barrow, Parris & Davenport, PA, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Authority’s financial statements for the year ended June 30, 2023. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

DESCRIPTION OF THE AUTHORITY

The Authority is a municipal partnership chartered in 1990 by Carteret, Craven and Pamlico Counties pursuant to NCGS 153A-421. Its purpose is to develop and operate a municipal solid waste (MSW) disposal system to meet the long-term needs of the partner counties in an environmentally sound and cost-effective manner. The Authority has continuously operated its disposal system since October 9, 1993.

Board of Directors. The Authority is governed by a seven (7) member Board of Directors who are appointed by the Boards of Commissioners of the three (3) partner counties. Carteret County and Pamlico County each appoint two (2) Directors and Craven County appoints three (3) Directors. In addition to the seven (7) regular Directors, each County appoints one (1) Alternate Director to serve in the absence of a regular Director.

The Board of Directors is supplemented by a Municipal Advisory Committee that has the potential for twenty-six members. This committee is comprised of one (1) member appointed by each of the local municipalities served by the Authority. Municipal committee members have all the privileges of regular members except the right to vote. A complete list of the Directors appears at the end of this Introductory section at page 7.

Executive Director and Staff. An Executive Director, who serves at the Board's pleasure, is the Chief Executive Officer of the Authority and is responsible for implementing its policy decisions. The Director's immediate staff includes a Finance Officer, Operations Manager, Planner/Outreach Coordinator and Administrative Secretary. A complete chart of personnel organization appears at the end of this Introductory section at page 9.

Budgetary Information. The budget is an integral part of the Authority's accounting system and daily operations. An annual or project budget ordinance, as amended by the Board of Directors, creates a legal limit on spending authorizations. Appropriations in all funds are made at the departmental level. However, for internal reporting purposes, budgetary control is maintained by object class (line-item account). Purchase orders that would create an over encumbrance at that level are not written until additional appropriations are available through budget amendments or intradepartmental transfers approved by the Executive Director. The Finance Officer may transfer up to \$5,000 of functional appropriations within a fund as long as total appropriations are not changed and the budgetary transfers are reported to the Board of Directors at its next regular monthly meeting.

The Authority's FY 2022-23 budget was formulated by the staff and presented to the Board of Directors for consideration. The budget is subjected to a public hearing and ultimately adopted by the Board of Directors. During the year the budget was monitored closely by the Executive Director and Finance Officer who reported the status with any recommended adjustments to the Board on a regular basis. The same procedure, including a "zero-base" approach, was followed for the FY 2023-24 budget. The budget is executed in conformance with the policy established by the Board of Directors and the North Carolina Local Government Budget and Fiscal Control Act.

LOCAL ECONOMY

The Authority's member counties are located in the central coast of North Carolina, an area diverse in its physical characteristics, demographics and economic base. As well as being a prime tourist and retirement destination, drawn by the area's beaches and rivers, the counties are also rich with historical attractions and other cultural opportunities. The estimated 2022 census population estimate for the Authority's service area was 185,131 as reported by the North Carolina Office of State Budget and Management. The average household income for 2022, as reported by the Federal Bureau of Economic Analysis, was \$57,717. The traditional industries - fishing, farming and forestry, have been supplemented by manufacturing, retail, and tourism. Unlike other regions of the State, the Authority's service area is not dependent on the industries that have been heavily impacted by the economic downturn and exportation of jobs. The manufacturing jobs in the area are not those generally subject to threat from low-cost imports. The unemployment rate for the area remains comparable than that of the State of North Carolina and the United States in general.

The economic health of the service area as indicated by the upward trend in population and per capita income is generally better than that of the State of North Carolina and the United States as a whole, due to a large military and retiree presence.

The economy of the area has steadily improved from the economic recession of the mid-2000's. Unemployment rates have declined and remain similar to national and state levels. The Morehead City State Port is one of the deepest ports on the East Coast and handled a total tonnage of almost 1.4 million in FY 2023. The area's economy is also supplemented by several industrial parks, including Jarrett Bay Marine Industrial Park near Beaufort and the Craven County Industrial Park near New Bern. Employment at businesses such as Hatteras Yachts, BSH Home Appliances, and Moen has stabilized and some have increased in recent years. In the Craven County Industrial Park, recent additions include Moen, Duke Progress Energy, Piedmont Natural Gas, Craven Wood Energy, and the Minges Bottling Group. Jarrett Bay Industrial Park is one of the most comprehensive marine service and supply facilities on the east coast. Carteret County remains one of the top beach destinations in the country. Pamlico County's economy is based in agriculture, tourism, and seafood, and has attracted many retirees with its enhanced quality of life.

Government is the largest employer in the area. Marine Corps Air Station Cherry Point and the Fleet Readiness Center East continue to provide a positive economic impact on the Authority's service area. These two facilities combine to employ over 15,000 civilian and military personnel. For FY 2023, MCAS Cherry Point's economic impact in the area was estimated to be over \$2.2 billion with over \$1.25 billion in salaries alone. Other State and local governments rank in the top 10 employers in each of the three counties.

With many attractions in the area, such as Fort Macon State Park, Cape Lookout National Seashore, Tryon Palace, Croatan National Forest, the North Carolina History Center, and multiple historic districts, as well as sailing, fishing, and other watersports, tourism remains a very viable sector of the local economy. According to the North Carolina Department of Commerce, tourism generated approximately \$900 million in economic impact and created over 5,100 jobs in the three-county region of Carteret, Craven, and Pamlico Counties during 2023. The economic impact of the tourism industry has increased by over 50% in the region since 2009. Highway improvements to US 17, US 70, and NC 55 have assisted in the growth of tourism and the overall local economy as well. Future improvements for US 17 and US 70, which has been designated as future Interstate 42, will only enhance the importance of tourism, in addition to other facets of the economy.

CarolinaEast Health System and Carteret Health Care hospitals both serve the region with modern, state-of-the-art health care facilities. Recent major expansions and upgrades at these facilities will serve to assist in the efforts to entice residents to the area by providing high quality health care usually found in larger metropolitan areas.

The attraction of water access and a favorable retirement climate is still a strong draw to the area. Residential real estate development in the service area has improved and therefore the waste volume derived from construction and demolition sources has increased. The building permit data for residential construction reflects the increase as well. Retail and commercial development is more noticeable than previous years.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The Authority continues to focus on providing environmentally responsible waste disposal services in a fiscally responsible manner. In so doing, the Authority is looking to provide its services in a cost competitive manner, while focusing on the need to be customer-friendly. During the past year, the Authority has accomplished operational improvements, improved access and other important elements of its goals.

The Authority opened Phase 4 of the Tuscarora Long-Term Regional Landfill in 2019 and we continue to operate in that cell. The Authority's engineers have determined that the currently-permitted site will provide landfill space for an additional 25 years based on current disposal levels and the historical annual rate of increase, trended across several years. An additional 115 acres is owned and reserved for future disposal needs, but has not yet been permitted.

The Authority continues selling landfill gas to Archaea Energy for the production of electricity. The Authority completed the expansion of the landfill gas collection system into Phase 3 of the landfill in 2019. Archaea Energy had previously expanded their 4 megawatt generating facility to 6 megawatts to take advantage of the increased gas flow. The electricity produced is sufficient to meet the needs of approximately 2,500 homes, according to the US Environmental Protection Agency. This facility is the first landfill gas-to-energy facility in eastern North Carolina. Archaea Energy plans to construct a Renewable Natural Gas facility on the same site.

The Authority continued to conduct a series of Household Hazardous Waste collection events in the three counties, and doubled the number of HWW collection events in the area in FY 23 by offering three spring events in addition to the 3 fall events. Participation by citizens is very good, with an average of 70,000 pounds of materials being collected annually. Disposal of these materials, which includes paints, electronics, and household chemical, is contracted with a major hazardous waste disposal company, with an emphasis on recycling and reuse wherever possible. Because many of these materials would otherwise find their way to improper disposal sites, the Authority was pleased to see these materials removed to a safe and environmentally responsible location.

The Authority continues to emphasize maintenance and customer convenience at its facilities. The investments in paving roads and public access areas in past years has resulted in lower maintenance costs on an annual basis and better customer satisfaction in using the Authority's facilities. With over 500 acres of property, the Authority maintains extensive storm water management systems, sedimentation and erosion control features and drainage features in accordance with various state permits. A significant portion of the Authority's operating budget is devoted to maintenance of these facilities.

During the year, the Authority continued to produce and market CoastalGrow, a composted yard waste product in bulk form, to homeowners, gardeners and professional landscapers. This product was developed with the assistance of the N.C. Cooperative Extension Service and is tested for nutrients and other essential elements by the N.C. Department of Agriculture. CoastalGrow is considered to be one of the premier yard-waste compost products available in North Carolina.

The Authority recognizes that for the foreseeable future, landfilling solid waste is the most economically viable option for the service area. For that reason, additional land has been purchased for future expansion. Consideration of alternative methods of solid waste disposal, and improvements in landfill techniques, will continue as the Authority seeks to make certain that its methodology of waste disposal is the best combination both fiscally and environmentally.

The Authority's Board of Directors updated a Strategic Plan for the future during FY 2020 and continues to review the Plan on a regular basis as the needs of the Authority change. The Board identified goals in several areas: Carteret County Transfer Station improvements, Pamlico County Transfer Station operational modifications, staff succession planning, future landfill land addition, outreach, and natural disaster planning. Accomplishing these goals will position the Authority to be well prepared for the challenges of the future.

Waste Collections. Total waste collections have exceeded projections contained in the 1992 Official Statement (although individual categories have varied). Waste volume for FY 2022-23 decreased by about 3.71% compared to the prior fiscal year. Detailed data is presented in the Statistical Section as Table 11 and Graph 4.

Flow Control. Since the United States Supreme Court ruled that municipalities' attempts to regulate the flow of solid waste violates the Inter-State Commerce clause of the United States Constitution, *C & A Carbone, Inc. V. Town of Clarkstown*, 1145.Ct.16.77 (1994), the solid waste industry has focused much attention on the ramifications of that decision. The Authority has continuously monitored any and all developments in the area of solid waste flow control since adopting its original flow control ordinance. During FY 2002, the Authority significantly revised its approach to flow control, after reviewing decisions such as United Haulers Association, Inc et al vs. Oneida-Herkimer Solid Waste Management Authority, et al decided by the 2nd Circuit Court of Appeals on July 22, 2001. The 2nd Circuit decision was upheld by the United States Supreme Court on April 30, 2007 that county ordinances directing locally generated wastes to publicly owned waste facilities do not discriminate against interstate commerce. (*United Haulers Association v. Oneida-Herkimer Solid Waste Management Authority*, No. 05-1345). A four-member plurality of justices cited "compelling reasons" to treat these regulations different from laws favoring particular private businesses over their competitors. In addition to considering the impact of this ruling, the Authority has carefully analyzed potential non-Authority waste disposal sites and concluded that any attempted waste diversion would likely come from facilities located within North Carolina. As a result, the Authority has amended and re-stated its flow control ordinance to address only intrastate aspects and attempts to only regulate municipal solid waste that is generated within the Authority's designated geographic area and intended for disposal within the State of North Carolina. The Authority believes its current flow control ordinance addresses the issues of greatest consequence to the Authority, while removing the more legally challenging issues of interstate flow control. In addition, the Authority continues to utilize a web of voluntary agreements reinforced by competitive pricing to insure the delivery of waste to its facilities. The Authority's hierarchy of flow control is:

1. **Competitively Priced Disposal.** The Authority's facilities are the area's lowest cost alternative, considering disposal cost and transportation cost.
2. **Inter-county & Inter-local Service Agreements.** The Authority's three (3) partner counties and twenty-six (26) local municipalities have contracted to deliver or cause to be delivered to Authority facilities all municipal solid waste collected by them or on their behalf.
3. **Hauler License Agreements.** As a condition of their license to use Authority facilities, haulers agree to deliver all waste they collect within the tri-county service area and destined for disposal in North Carolina, to the Authority's designated facilities.
4. **Availability Fee.** The Board of County Commissioners of the member counties may implement a fee to be levied on the residents and businesses of the service area to partially or fully fund the Authority's obligations.
5. **Local Ordinance.** The Authority's flow control ordinance prohibits only intrastate export and specifically permits interstate export of municipal solid waste, thus it seeks to avoid a challenge on constitutional grounds.

RELEVANT FINANCIAL POLICIES

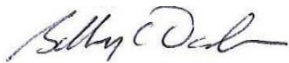
The Authority operating budget was fully funded by operating revenues. This was accomplished with tipping fees that continue to be at or below projections made at the time of the Authority's 1992 Solid Waste System Bond issuance. The Authority's base tipping fee during the fiscal year for municipal solid waste and construction and demolition material was \$38.00 per ton at the landfill and \$50.50 per ton at the transfer stations.

The Authority collects average monthly revenues of \$906,504. Revenues over and above the operating needs of the Authority are transferred into capital reserve funds for the replacement of assets, including landfill space and equipment. Future closure costs are also funded through a capital reserve fund.

Computerized financial management information systems combined with a strict policy of denying disposal service to any customer whose payment is overdue has resulted in a 99.99% collection rate. All accounts receivable are established through an automated scale data management system operated by one Authority division and collected by another. Similarly, virtually all accounts payable are established and paid for by different divisions through a computerized system. All purchases and payments require two (2) authorized signatures. Thus, despite its small size, the Authority has implemented a system of internal controls that conserves and safeguards its financial resources.

The Authority's deposits were collateralized or insured as required by NCGS 159-31. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, federal government securities, or the North Carolina Capital Management Trust and repurchase agreements secured by federal government securities. At all times, consideration was given to earning the highest yields on investments while maintaining the safety and liquidity of investments. Total investment earnings during the year were \$553,109 on an average balance of \$12,748,883 for an average rate of return of 4.33%.

Sincerely,



Bobby C. Darden
Executive Director



Joseph F. Monette, IV
Finance Officer

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
LIST OF PRINCIPAL OFFICIALS**

EXECUTIVE DIRECTOR

BOBBY C. DARDEN

BOARD OF DIRECTORS

DOUG BRINSON
Chairman, Pamlico County

PAMLICO COUNTY

DOUG BRINSON

JOE VALINOTI

TIM BUCK, Alternate

CARTERET COUNTY

EUGENE FOXWORTH

JIMMY FARRINGTON

TOMMY BURNS, Alternate

CRAVEN COUNTY

JASON JONES

JOE FOGLEMAN

JOHN KIRKLAND,
Vice Chairman

JACK VEIT, Alternate

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
MUNICIPAL COMMITTEE MEMBERS**

CARTERET COUNTY

MARK EAKES
Beaufort

DAVID WHITLOW
Morehead City

DAVID HEATH
Newport

ROBERT DANEHY
Pine Knoll Shores

TED PACE
Atlantic Beach

CHRIS SEABURG
Cedar Point

CRAVEN COUNTY

MARK STEPHENS
New Bern

BILL EBRON
Havelock

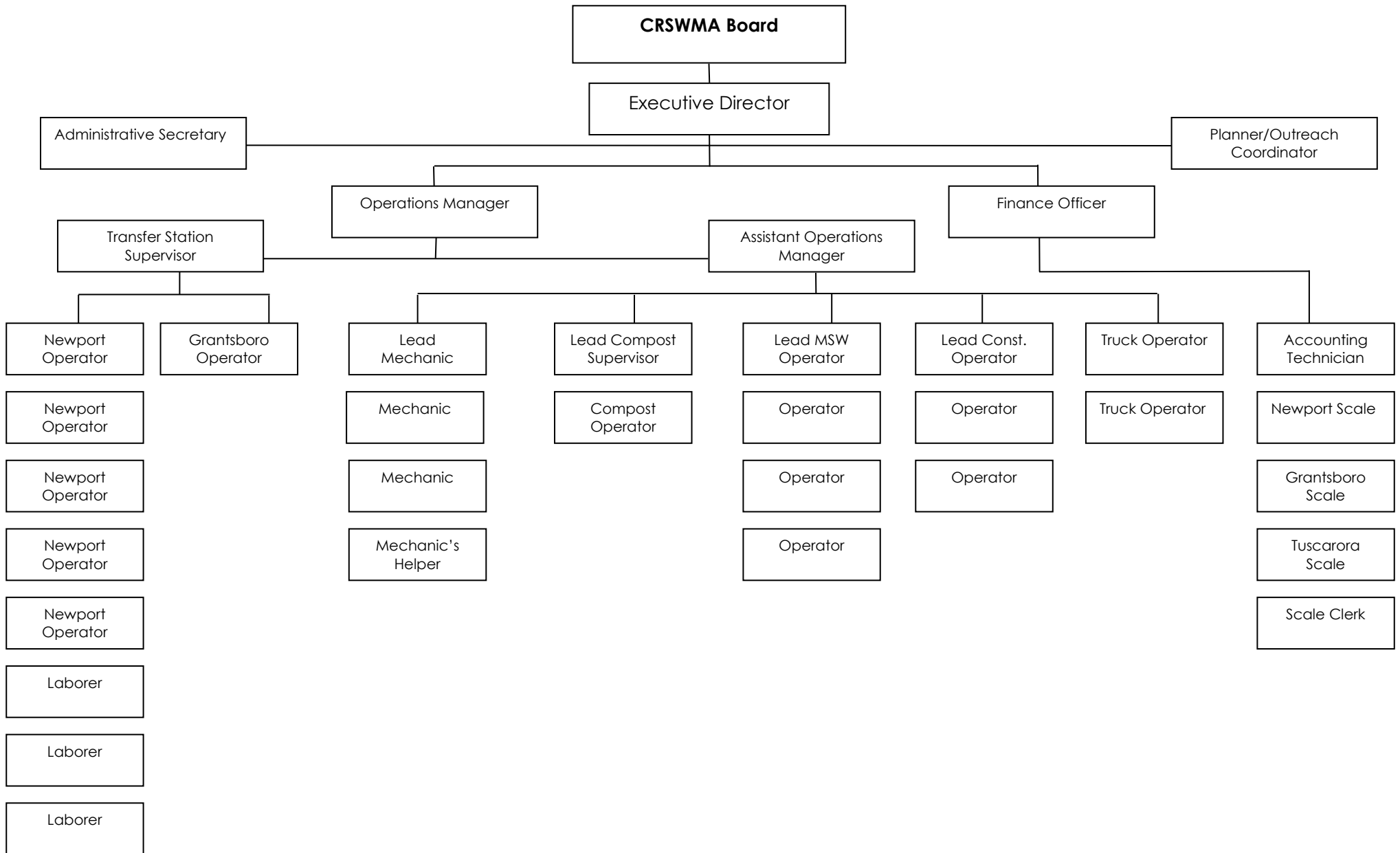
DON FOGLE
River Bend

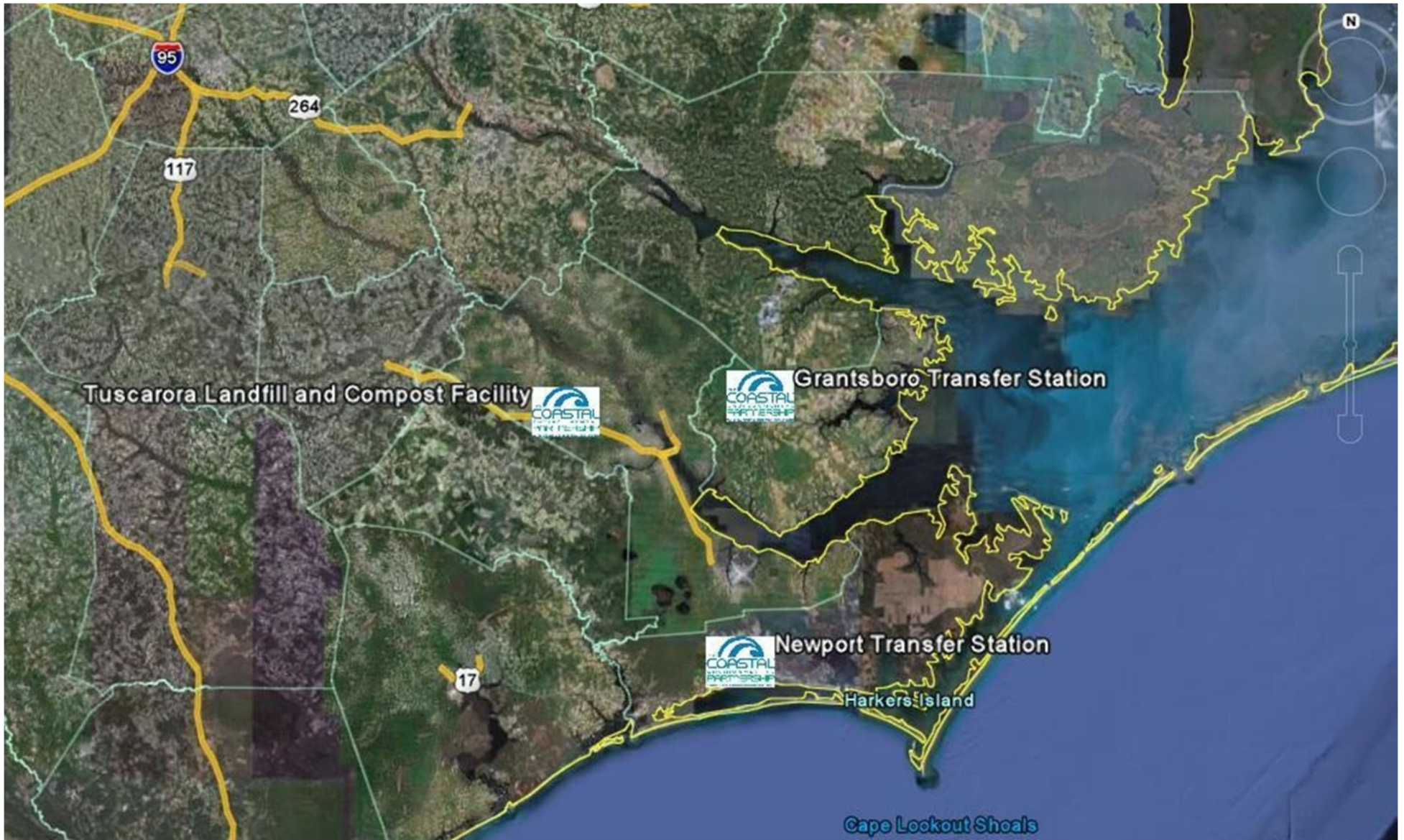
BILL JOINER
Trent Woods

PAMLICO COUNTY

THOMAS FUNN
Vandemere

Coastal Regional Solid Waste Management Authority





FINANCIAL SECTION

- Independent Auditor's Report
 - Management's Discussion and Analysis
 - Basic Financial Statements, including Notes to the Basic Financial Statements
 - Supplementary Information
-



INDEPENDENT AUDITOR'S REPORT





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NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Coastal Regional Solid Waste Management Authority
Cove City, North Carolina

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Coastal Regional Solid Waste Management Authority ("Authority") as of and for the year ended June 30, 2023, 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 Authority as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the audits 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 on pages 21 through 26 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability and Contributions on pages 61 and 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2024 on our consideration of the 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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.
Kinston, North Carolina

July 12, 2024



THE

COASTAL

ENVIRONMENTAL

PARTNERSHIP

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS



THE

COASTAL

ENVIRONMENTAL

PARTNERSHIP

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

Management's Discussion and Analysis Coastal Regional Solid Waste Management Authority

As management of the Coastal Regional Solid Waste Management Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this report.

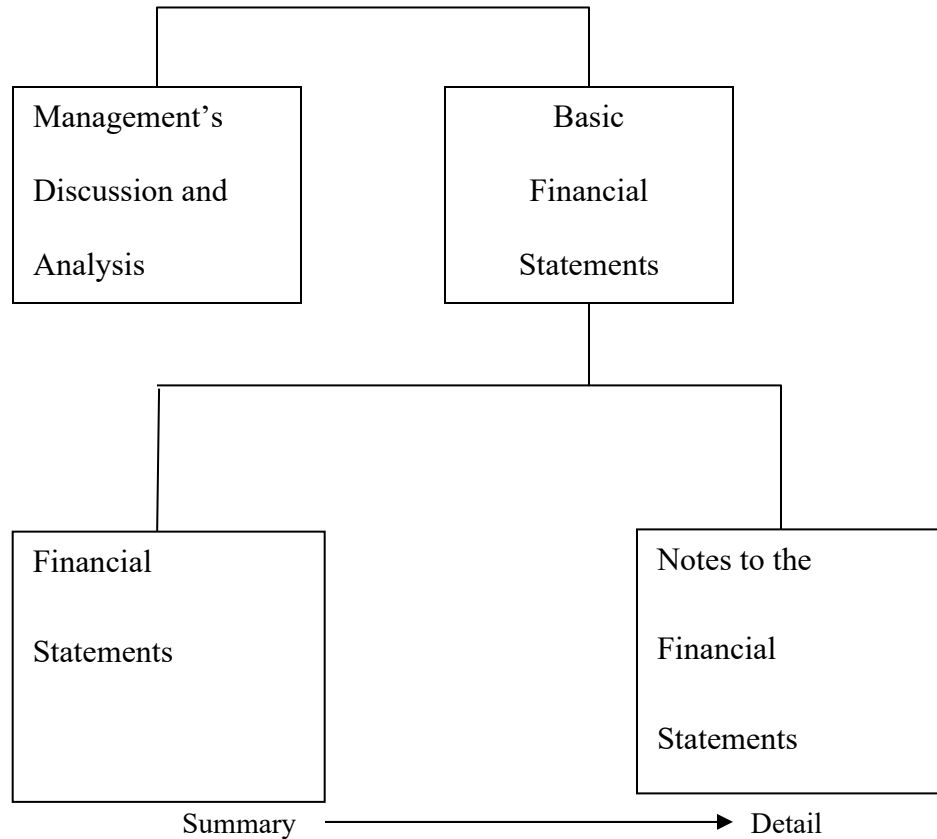
Financial Highlights

- At the close of the current fiscal year, the Authority reported ending net position of \$21,469,339, an increase of \$467,070 in comparison with the prior year.
- The Authority's cash and cash equivalents at year end totaled \$18,215,941, an increase of \$2,503,587 from the previous year's end. The increase is due to positive operational results.
- The Authority's net capital assets decreased from \$19,734,484 to \$18,979,865 during the fiscal year. The primary reason for this decrease is the acquisition of new equipment in the amount of \$2,696,366. However, these additions were offset by a depreciation change of \$2,997,735.
- The Authority experienced decreased operating revenues from the previous fiscal year due to a decrease in tonnage.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of two components; 1) financial statements, and 2) notes to the financial statements (see Figure 1). The Authority operates completely as an "Enterprise" or business-type activity and its financial statements reflect that activity on one set of financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Authority.

**Required Components of Annual Financial Report
Figure 1**



Basic Financial Statements

The **statement of net position** presents information on all of the Authority’s assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The **statement of activities** presents information showing how the Authority’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The next section of the basic financial statements is the **notes**. The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data contained in those statements. The notes to the financial statements can be found on pages 40-58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 61-62 of the report. Also,

additional supplementary information is provided to show details about the Authority's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Financial Analysis

Because the Authority operates completely as an Enterprise or business-type fund, there is no need for consolidated statements. The entire financial picture of the Authority is presented in one set of financial statements.

The Authority's Net Position
Figure 2

June 30,	2023	2022
Current assets	\$ 20,364,152	\$ 17,697,666
Capital assets, net	18,979,865	19,734,484
Total assets	39,344,017	37,432,150
Pension deferrals	1,166,097	718,252
Total deferred outflows of resources	1,166,097	718,252
Current liabilities	461,487	488,602
Long-term liabilities	18,562,582	16,029,340
Total liabilities	19,024,069	16,517,942
Pension deferrals	16,706	630,191
Total deferred inflows of resources	16,706	630,191
Net position		
Net investment in capital assets	18,979,865	19,734,484
Unrestricted	2,489,474	1,267,785
Total net position	\$ 21,469,339	\$ 21,002,269

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Authority exceeded liabilities and deferred inflows of resources by \$21,469,339 as of June 30, 2023. The Authority's net position increased by \$467,070 for the fiscal year ended June 30, 2023. The increase in net position is due to increases in interest income and gain on disposal of assets, all while being mitigated by continual positive operations and adherence to budgeted expenditures. The net investment in capital assets portion reflects the Authority's investment in land, buildings, machinery, and equipment, net of accumulated depreciation. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining balance of \$2,489,474 is unrestricted. The Authority's current assets of \$20,364,152 includes \$10,839,734 (53.23%) reserved for the construction of future landfill cells, closure of the current landfill cell, and future equipment replacement. The Authority's long-term liabilities of \$18,562,582 includes \$16,802,536 (90.52%) representing long-term post-closure care liabilities that would only be realized if the Authority were to discontinue its operations.

Unrestricted net position is heavily influenced by the following: First, as part of the Authority's strong financial policy, funds are built into the rate structure so that as a current cell is filled with waste, money is accumulated over that cell's lifespan such that new cells can be constructed in a timely manner and be paid for with cash versus debt funding. Secondly, as the new cell is constructed, the cash is spent and the new landfill cell is reflected in construction in progress and/or operating plant, therefore reducing unrestricted assets and increasing the invested in capital assets. Thirdly, the landfill complies with all professional standards and strict state requirements in the recording of its closure and post-closure care liabilities. While this liability (\$16,802,536 at June 30, 2023) is directly associated with the capital assets, it does not qualify under current accounting standards to offset the net investment in capital assets portion of the net position, therefore creating a negative unrestricted net position number. Given the acreage the Authority owns, it is estimated that the closure of the entire landfill will not occur for at least 75 years in the future. Over this period of time the Authority will continue to collect cash in advance to construct new cells and to provide funding for the eventual closure of the landfill. The effect over time on the unrestricted net position will be to bring it to a larger positive amount. The ability of the Authority to construct new cells and accumulate funds for eventual closure with cash versus debt financing is considered to be a tremendous strength.

Several particular aspects of the Authority's financial operations positively influenced the net position:

- Excellent compaction ratios for waste placed in the landfill, increasing landfill life and reducing cost of airspace per ton.
- Diligence in controlling costs.
- Continued diligence in collection of accounts receivable.
- Continued an in-house transportation operation, in order to save on fuel taxes, and maximize hauling capacity.
- Cooperation from counties and municipalities to direct waste to the Authority's facilities.
- Decrease in closure liabilities due to state requirements.

The Authority's Changes in Net Position
Figure 3

Years ended June 30,	2023	2022
REVENUES		
Charges for services	\$ 10,878,050	\$ 11,124,115
Compost sales	39,635	45,114
Landfill gas	84,669	26,980
Scarp tire disposal fees	349,407	305,644
Solid waste disposal fees	456,100	473,273
Total operating revenues	11,807,861	11,975,126
EXPENSES		
Operating expenses	8,191,996	8,042,875
Closure and post-closure care costs	1,416,039	935,207
Depreciation	2,997,735	3,026,661
Total expenses	12,605,770	12,004,743
NONOPERATING REVENUES (EXPENSES)		
Interest income	553,109	15,154
Insurance proceeds	-	14,900
Gain on disposal of assets	134,596	275,458
Extraordinary Item	577,274	-
Total nonoperating revenues (expenses)	1,264,979	305,512
Extraordinary item: gain on insurance recovery	-	-
Change in net position	467,070	275,895
Net position - beginning	21,002,269	20,726,374
Net position - ending	\$ 21,469,339	\$ 21,002,269

Capital Asset and Debt Administration

Capital assets. The Authority's net investment in capital assets for its activities as of June 30, 2023, totals \$18,979,865 (net of accumulated depreciation). These assets include buildings, landfill space, land, machinery and equipment and vehicles. Major capital asset transactions during the year include the following:

- Acquisition of new equipment with a total value of \$2,696,366.
- Depreciation in the amount of \$2,997,735.
- Proceeds from the sale of equipment no longer needed by the Authority in the amount of \$275,300, resulting in a gain on disposal of fixed assets of \$134,596.
- In July 2022, a fire occurred inside a shop building on the premise of the landfill due to an electrical system failure of a vehicle parked inside, and resulted in significant smoke damage to the building. The Authority received \$1,021,868 in insurance recovery to offset the asset impairment, resulting in an extraordinary gain of \$577,274.

**The Authority’s Capital Assets
(Net of depreciation)
Figure 4**

June 30,	2023	2022
Land	\$ 2,309,160	\$ 2,309,160
Construction in progress	212,628	-
Buildings	1,729,422	2,178,342
Improvements	206,315	335,557
Operating plant	9,468,682	10,562,084
Equipment	4,396,146	3,682,742
Vehicles	657,512	666,599
Total	\$ 18,979,865	\$ 19,734,484

Additional information on the Authority’s capital assets can be found in note 4 of the Basic Financial Statements.

Long term Liabilities

As of June 30, 2023, the Authority had total long term liabilities of \$18,702,032. Of this, \$16,802,536 consists of closure and post-closure care costs. Pension liability totaled \$1,630,937, and compensated absences were \$268,559. Additional information regarding the Authority’s long term liabilities can be found in Note 6 of this report.

Economic Factors

The following key economic factors reflect the stability of the Authority’s service area, Carteret, Craven and Pamlico counties:

- Relatively stable employment. With a strong governmental sector employment, the area’s unemployment rate has remained similar to that of the State of North Carolina and the United States as a whole.
- Population increase. The population has remained stable at 185,131 in the Authority’s service area, with anticipated continued increase as more retirees move to the area.
- Strong military presence. MCAS Cherry Point’s economic impact in the area is estimated at \$2.2 billion, most of which will be spent in the immediate area.

Budget Highlights and Rates for the Fiscal Year Ending June 30, 2024

The Authority will maintain solid waste tipping fees in fiscal year 2023-24 as compared to fiscal year 2022-23 in an effort to continue funding future landfill capital projects without incurring debt based on continuing increases of total solid waste tons received at the landfill.

Requests for Information

This report is designed to provide an overview of the Coastal Regional Solid Waste Management Authority’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Coastal Regional Solid Waste Management Authority, P.O. Box 128 Cove City, NC 28523.

BASIC FINANCIAL STATEMENTS



THE

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COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION

June 30, 2023

ASSETS

Current assets

Cash and cash equivalents	\$	18,215,941
Accounts receivable		2,130,333
Prepaid items		17,878
Total current assets		20,364,152

Noncurrent assets

Capital assets

Land and construction in progress		2,521,788
Other capital assets, net of depreciation		16,458,077
Total capital assets		18,979,865

Total assets		39,344,017
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DEFERRED OUTFLOWS OF RESOURCES

Pension deferrals		1,166,097
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LIABILITIES

Current liabilities

Accounts payable and accrued liabilities		322,037
Compensated absences, current		89,000
Accrued landfill closure and post-closure care costs, current		50,450
Total current liabilities		461,487

Noncurrent liabilities

Compensated absences		179,559
Net pension liability		1,630,937
Accrued landfill closure and post-closure care costs		16,752,086
Total noncurrent liabilities		18,562,582

Total liabilities		19,024,069
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DEFERRED INFLOWS OF RESOURCES

Pension deferrals		16,706
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NET POSITION

Net investment in capital assets		18,979,865
Unrestricted		2,489,474

Total net position	\$	21,469,339
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The accompanying notes are an integral part of these financial statements.



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**STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2023**

OPERATING REVENUES	
Charges for services	\$ 10,878,050
Compost sales	39,635
Landfill gas	84,669
Scrap tire disposal fees	349,407
NC solid waste disposal fees	456,100
<hr/>	
Total operating revenues	11,807,861
<hr/>	
OPERATING EXPENSES	
Operating expenses	8,191,996
Closure and post-closure care costs	1,416,039
Depreciation	2,997,735
<hr/>	
Total operating expenses	12,605,770
<hr/>	
Operating loss	(797,909)
<hr/>	
NONOPERATING REVENUES (EXPENSES)	
Interest income	553,109
Gain from disposition of capital assets	134,596
Extraordinary item: gain on insurance recovery	577,274
<hr/>	
Total non-operating revenues (expenses)	1,264,979
<hr/>	
CHANGE IN NET POSITION	467,070
<hr/>	
Total net position - beginning	21,002,269
<hr/>	
Total net position - ending	\$ 21,469,339
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The accompanying notes are an integral part of these financial statements.



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STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 11,590,939
Cash paid for goods and services	(4,107,138)
Cash paid to or on behalf of employees for service	(4,002,077)
Net cash provided by operating activities	3,481,724

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition and construction of capital assets	(2,696,366)
Insurance recovery	889,820
Proceeds from disposition of capital assets	275,300
Net cash used by capital and related financing activities	(1,531,246)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	553,109
Net cash provided by investing activities	553,109

Net increase in cash and cash equivalents 2,503,587

CASH AND CASH EQUIVALENTS

Cash and cash equivalents - beginning 15,712,354

Cash and cash equivalents - ending \$ 18,215,941

Reconciliation of operating income to net cash provided by operating activities:

Operating loss \$ (797,909)

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation 2,997,735

Changes in assets, deferred outflows of resources, and liabilities:

Accounts receivable (216,922)

Prepaid items 54,023

Deferred outflows of resources (447,845)

Net pension liability 1,200,150

Accounts payable and accrued liabilities (27,115)

Compensated absences 36,854

Accrued landfill closure and post-closure care costs 1,296,238

Deferred inflows of resources (613,485)

Net cash provided by operating activities \$ 3,481,724

The accompanying notes are an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from or cannot be included in the basic financial statements themselves. The notes supplement the basic financial statements and are an integral part thereof and are intended to be read in conjunction with the basic financial statements.



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COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Basis of Accounting

Nature of Operations:

Coastal Regional Solid Waste Management Authority (the "Authority"). The Authority was formed in 1990 by Carteret, Pamlico, and Craven Counties as a regional solid waste management authority whose purpose is to provide environmentally sound, cost effective management of solid waste on a regional basis. The Authority provides solid waste management facilities and services in accordance with Section 153-A, Article 22 of the North Carolina General Statutes. The Authority is governed by a seven-member board. The Authority does not have taxing authority but is able to charge availability fees if needed.

Reporting Entity:

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in generally accepted accounting principles have been considered and there are no agencies or entities that should be presented with the Authority. Also, the Authority is not included in any other reporting entity. The Authority is a joint venture without equity interest of the participating counties. (See Note 10)

Summary of Significant Accounting Policies:

The basic financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Basis of Presentation

The statement of net position and the statement of revenues, expenses and changes in net position display information about the primary government (the Authority). Eliminations have been made to minimize the double counting of internal activities. These statements present the business-type activities of the Authority, which has no governmental operations. Business-type activities are financed in whole or in part by fees charged to external parties.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Basis of Accounting (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the Authority. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the Authority's funds. The emphasis of fund financial statements is on major enterprise funds. Any remaining enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Authority reports the following major fund:

Enterprise Fund

An Enterprise Fund is used to account for operations:

- that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or
- where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Authority are maintained during the year using the modified accrual basis of accounting.

Proprietary Fund Financial Statements. The proprietary fund financial statements are reported using the economic resources measurement focus, and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Basis of Accounting (Continued)

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

Budgetary Data. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, the Authority follows these procedures in establishing the budgetary data reflected in the financial report:

- 1) The Finance Committee submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July 1. The operational budget includes proposed expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain public comment.
- 3) The budget is legally enacted through passage of an ordinance by June 30 each year.

The Board of Directors may amend the budget ordinance at any time after its adoption as long as the amended ordinance continues to meet statutory requirements. During the year, supplementary appropriations to the original budget were necessary. Individual amendments to the ordinance were not material in relation to the original appropriations, and all amendments were legally made.

The budget, as authorized, is prepared on a modified accrual basis of accounting as required by State statutes. For financial reporting purposes, the activity of the enterprise fund has been reported using the accrual basis of accounting that is in accordance with accounting principles generally accepted in the United States of America.

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COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Basis of Accounting (Continued)

Under State statute, actual expenditures cannot exceed budgetary appropriations at any level for which the budget is formally approved. The Authority's budget ordinance authorizes expenditures, by department total, for all funds. All budgets are fixed in nature. For internal management purposes, the budgets are detailed by line item within each department and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis. The budgets of the Operating Fund, Renewal and Replacement Fund and Capital Reserve Fund are prepared on an annual basis. The budgets for the Landfill Closure Project Fund and Landfill Construction Capital Project Fund authorize activity for the life of the project. All annual appropriations lapse at fiscal year end.

Deposits and Investments. All deposits of the Authority are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority, certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust ("NCCMT"). The Authority's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC registered (2a-7) external investment pool, is measured at amortized cost, which approximates fair value, and is the NCCMT's share price. Because the NCCMT Government Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity value of less than six months.

Cash & Cash Equivalents. For the purposes of reporting cash flows, all highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

Capital Assets. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	20 - 40 years
Equipment	5 - 10 years
Improvements	10 - 40 years
Vehicles	4 years

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Basis of Accounting (Continued)

Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost of estimated historical cost.

The Authority's operating plant includes costs associated with the construction of the landfill, which are recovered through depreciation charges as the landfill capacity is used each year. The estimated accumulated used capacity of estimated total capacity available approximates 23.54% at June 30, 2023. Other operating plant components are depreciated over estimated useful lives of approximately 40 years, as they either operate independently of the landfill or will also be used in future landfill cells at the same site.

Deferred outflows/inflows of resources. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has one item that meets this criterion, pension plan deferrals in the 2022 fiscal year. In addition to liabilities, the statement of net position sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has one item that meets the criterion for this category – pension plan deferrals.

Compensated Absences. The vacation policy of the Authority provides for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary related payments are recorded as the leave is earned. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements.

All accrued vacation leave in excess of the thirty (30) work days as of the last day of the first pay period in January of any year will be converted to sick leave.

The Authority's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Authority has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position. Net position in proprietary fund financial statements are classified as net investment in capital assets, restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023**

Note 1. Nature of Operations, Reporting Entity, Significant Accounting Policies and Basis of Accounting (Continued)

Defined Benefit Cost-Sharing Plans. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Authority's employer contributions are recognized when due and the Authority has a legal requirement to provide the contributions. Benefits are refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Note 2. Cash on Deposit and Investments

At June 30, 2023 cash and investments are comprised of the following:

Cash on hand	\$ 1,500
Carrying value of deposits	1,939,813
Investments	<u>16,274,628</u>
	<u>\$ 18,215,941</u>

Interest income on cash and investments amounted to \$553,109 for the fiscal year ended June 30, 2023.

Deposits:

All of the Authority's deposits are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Authority's agent in the Authority's name. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agent in the Authority's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits.

The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Authority under the pooling method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Note 2. Cash on Deposit and Investments (Continued)

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The Authority relies on the State Treasurer to monitor those financial institutions for compliance. The Authority analyzes the financial soundness of any other financial institution used by the Authority. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying the deposits are properly secured.

The Authority's deposits rest with a bank that has chosen the pooling method. At June 30, 2023, the Authority's deposits had a carrying amount of \$1,939,813 and a bank balance of \$2,073,178. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,823,178. was covered by collateral held under the pooling method. At June 30, 2023 the Authority's cash on hand including petty cash totaled \$1,500.

At June 30, 2023, the Authority's investment balances, which are presented within cash and cash equivalents on the statement of net position, were as follows:

Investments:

<u>Investment By Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/2023</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	\$ 16,274,628	N/A	AAAm

Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires structuring of maturities to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023**

Note 2. Cash on Deposit and Investments (Continued)

Credit risk. The Authority's policy regarding credit risk, the risk that an issuer or backer to an investment transaction will not fulfill its obligations, calls for limiting investments to the safest type of securities, diversifying the investment portfolio so that potential losses on individual securities will be minimized, pre-qualifying the financial institutions, brokers/dealers, intermediaries or advisors with which the Authority will do business, and, utilizing an independent third party safekeeping account for securities not held by the Authority.

The Authority's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's and AAA-mf by Moody's Investor Services as of June 30, 2023.

The Authority limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by Nationally Recognized Statistical Rating Organization (NRSROs).

Custodial credit risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's custodial credit risk policy dictates the finance officer or designee will maintain a list of the names and addresses of the financial institutions, brokers, dealers and other contact officials that are authorized to be depositories of public funds, provide safekeeping of investments assets, or otherwise engage in investment transactions with or on behalf of the Authority, as provided by North Carolina General Statutes.

Note 3. Accounts Receivable

At June 30, 2023 accounts receivable were comprised of the following:

Trade accounts receivable	\$ 1,595,009
Sales tax refund receivable	428,472
Scrap tire receivable	87,743
Other	19,109
Total	<u>\$ 2,130,333</u>

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 4. Capital Assets, Net

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 2,309,160	\$ -	\$ -	\$ 2,309,160
Construction in progress	-	212,628	-	212,628
Total capital assets not being depreciated	2,309,160	212,628	-	2,521,788
Capital assets being depreciated:				
Buildings	6,183,564	-	531,993	5,651,571
Improvements	1,245,269	-	-	1,245,269
Operating plant	52,282,836	-	-	52,282,836
Equipment	13,049,064	2,132,457	1,182,651	13,998,870
Vehicles	2,366,115	351,281	29,633	2,687,763
Total capital assets being depreciated	75,126,848	2,483,738	1,744,277	75,866,309
Less accumulated depreciation:				
Buildings	4,005,222	136,374	219,447	3,922,149
Improvements	909,712	129,242	-	1,038,954
Operating plant	41,720,752	1,093,402	-	42,814,154
Equipment	9,366,322	1,278,349	1,041,947	9,602,724
Vehicles	1,699,516	360,368	29,633	2,030,251
Total accumulated depreciation	57,701,524	2,997,735	1,291,027	59,408,232
Total capital assets being depreciated, net	17,425,324			16,458,077
Total capital assets, net	\$ 19,734,484			\$ 18,979,865

Note 5. Accounts Payables and Accrued Liabilities

Accounts payables and accrued liabilities at June 30, 2023 were as follows:

Vendors	\$ 261,445
Employees and related benefits	49,667
Construction / Closure	10,925
Total	\$ 322,037

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 6. Long Term Liabilities

The following table reflects the changes in long term liabilities for the fiscal year ended June 30, 2023:

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Compensated absences	\$ 231,705	\$ 36,854	\$ -	\$ 268,559	\$ 89,000
Net pension liability (LGERS)	430,787	1,200,150	-	1,630,937	-
Accrued landfill closure and post-closure care costs	15,506,298	1,296,238	-	16,802,536	50,450
Total long-term liabilities	\$16,168,790	\$ 2,533,242	\$ -	\$ 18,702,032	\$ 139,450

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COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 7. Closure and Post-Closure Care Costs

State and federal laws and regulations require the Authority to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that a 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 the estimated total landfill capacity and the estimated portion used as of each balance sheet date. The \$16,802,536 reported as landfill closure and post-closure care liability at June 30, 2023 represents a cumulative amount reported to date based on the use of 100% of the interim landfill, 100% of Phase I, Phase II and Phase III and approximately 31.00% estimated total capacity of the current landfill cell (Phase IV). The Authority will recognize the remaining estimated cost of closure and post-closure care relative to its current landfill cell of \$2,400,362 as the remaining estimated cell capacity is filled. The current landfill cell is estimated to reach its capacity in August, 2030. These amounts are based on what it would cost to perform all closure and post-closure care in 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The landfill is permitted as one site. The landfill is being constructed in various footprints and waste is being accepted accordingly. The phases of the landfill are such that each one “piggybacks” each other. Temporary measures are undone when new phases come online. Once certain levels have been reached, the landfill will accept waste on top of older phases until the entire landfill site is full which is decades into the future.

Certain interim closure items have been performed on various prior phases such as temporary cover, leachate and methane gas systems. Since final closure will not occur until the entire landfill is complete and stops accepting waste, the current liability for closure and post-closure care costs is recorded at the level the authority expects to spend operationally the following fiscal year.

The Authority, by using the financial strength of the three member counties, has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the Authority has also elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. Those funds are held in cash equivalent in the amount of \$1,510,192 plus other amounts in its Capital Reserve Fund. The Authority expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are established (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future revenue bond issuances.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023**

Note 8. Deferred Outflows and Inflows of Resources

The following table reflects the deferred outflows of resources and deferred inflows of resources of the Authority as of June 30, 2023.

Deferred Outflow of Resources

Difference between expected and actual experience	\$	70,276
Changes of assumptions		162,731
Net difference between projected and actual earnings on pensions plan investments		539,042
Changes in proportion and differences between employer contributions and proportionate share of contributions		48,973
Employer contributions subsequent to the measurement date		345,075
	\$	<u>1,166,097</u>

Deferred Inflow of Resources

Difference between expected and actual experience	\$	6,890
Changes of assumptions		-
Net difference between projected and actual earnings on pensions plan investments		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		9,816
	\$	<u>16,706</u>

Note 9. Risk Management

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; pollution legal liability; and natural disasters. The Authority participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools the Authority obtains property coverage equal to appraised or actual cash values of owned property subject to a limit as outlined in the contract, for any one occurrence, with an annual aggregate of \$50 million for flood and earthquake, with other sub-limits for other coverage per the Authority's contract. The Authority also purchases general, auto, public officials, law enforcement and employment practices liability coverage of \$5 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence and workers' compensation coverage up to statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Authority upon request.

Two of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 per occurrence up to a \$2 million limit for liability coverage, \$600,000 of aggregate annual losses in excess of \$50,000 per occurrence and an additional \$1 million annual aggregate for property, auto physical damage, and crime coverage, and single occurrence losses of \$350,000 for workers' compensation.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 9. Risk Management (Continued)

In accordance with G.S. 159-29, the Authority employees that have access to \$100 or more at any given time of the Authority's funds are insured for \$250,000 through commercial insurance. The Finance Officer is bonded through a commercial surety bond for \$250,000.

The Authority carries commercial insurance for all other risks of loss, including flood. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any year since the Authority's inception.

Note 10. Joint Venture

The Authority is governed by a seven-member board of directors. Three directors are appointed by Craven County, and two directors each from Carteret and Pamlico counties. The Authority is a joint venture established to facilitate solid waste management within and among the three counties. The counties have an ongoing financial responsibility for the Authority because the counties are legally obligated under intergovernmental agreements to honor any deficiencies in the event Authority revenues are not sufficient to provide for operating expenses or closure and post-closure care requirements. The counties did not contribute any funds to the Authority during the fiscal year ended June 30, 2023. The participating governments do not have any equity interests in the joint venture, so no equity interest has been reflected in their financial statements at June 30, 2023.

Note 11. Pension and Postemployment Obligations

Local Governmental Employees' Retirement System

Plan Description. The Coastal Regional Solid Waste Management Authority is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 11. Pension and Postemployment Obligations (Continued)

Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries⁹ of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Coastal Regional Solid Waste Management Authority employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Coastal Regional Solid Waste Management Authority's contractually required contribution rate for the year ended June 30, 2023 was 12.10% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Coastal Regional Solid Waste Management Authority were \$345,075 for the year ended June 30, 2023.

Refunds of Contributions – Authority employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2023, the Authority reported a liability of \$1,630,937 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension asset was based on a projection of the Authority's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the Authority's proportion was .02891%, which was an increase of .00082% from its proportion measured as of June 30, 2021.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 11. Pension and Postemployment Obligations (Continued)

For the year ended June 30, 2023, the Authority recognized pension expense of \$483,898. At June 30, 2023, 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	\$ 70,276	\$ 6,890
Changes of assumptions	162,731	-
Net difference between projected and actual earnings on pension plan investments	539,042	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,973	9,816
Employer contributions subsequent to the measurement date	345,075	-
Total	<u>\$ 1,166,097</u>	<u>\$ 16,706</u>

\$345,075 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ 261,473
2025	213,455
2026	72,578
2027	256,810
2028	-
	<u>\$ 804,316</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 11. Pension and Postemployment Obligations (Continued)

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections 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 allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023**

Note 11. Pension and Postemployment Obligations (Continued)

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments 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 asset to changes in the discount rate. The following presents the Authority's proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the Authority's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Authority's proportionate share of net pension liability (asset)	\$ 2,943,631	\$ 1,630,937	\$ 549,201

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

Supplemental Retirement Income Plan of North Carolina

All employees of the Authority are eligible to participate in the supplemental retirement income plan of North Carolina, a defined contribution pension plan allowed and governed under Section 401(k) of the Internal Revenue Code and administered by the Department of State Treasurer. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Supplemental Retirement Income Plan is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

In this plan, the Authority has elected to match 5% of base earnings. The benefit to the employee is the employee's voluntary contribution (limited to 14% of earnings), the Authority's contribution, and the interest earned on these contributions. The employees' contributions are tax deferred. The participants' interests in this supplementary retirement plan are fully vested from the date of participation. Total contributions for the year ended June 30, 2023 were \$185,046 which consisted of \$81,736 from the Authority and \$103,310 from employees.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 11. Pension and Postemployment Obligations (Continued)

Other Postemployment Benefits

Healthcare Benefits

Plan Description. Under the terms of an Authority resolution, the Authority administers a single employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides postemployment healthcare benefits to retirees of the Authority, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty-five years of creditable service with the Authority or other local governments. A separate report was not issued for the plan.

Under the Authority plan, retirees, by mandate of private insurance carrier regulations, will obtain private coverage under the carrier currently administering the Authority plan for active employees. The Authority will reimburse the retiree the difference, if any, between what they would have paid in monthly premiums if they had been allowed to remain on the Authority plan and any increased cost of the individual plan up until the age of Medicare eligibility.

The Authority has not implemented GASB 75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions" because management feels that any potential liability resulting from postemployment benefits is immaterial. The postemployment healthcare benefit was in place 2011 to December 13, 2018 and has never been used by employees. A personnel policy change effective December 13, 2018 has removed the benefit for employees hired after that date. Due to immateriality, no liability has been recorded.

Note 12. Other Employment Benefits

The Authority has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits.

Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Authority, the Authority does not determine the number of eligible participants. The Authority has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the State. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The Authority considers these contributions to be immaterial.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

Note 13. Major Customers

Gross revenues from one customer totaled \$6,835,903 during the year ended June 30, 2023. At June 30, 2023 the amount due from this customer included in trade accounts receivable was \$636,199.

Note 14. Extraordinary Item

In July 2022, a fire occurred inside a shop building on the premise of the landfill causing significant smoke damage to the building and destruction of a truck. The cause of the fire was determined to be the electrical system of the truck, which had been used a couple of days before the fire occurred. The Authority received \$1,021,868 in insurance recovery to offset the asset impairment, resulting in an extraordinary gain of \$577,274. Total cost of repairs to the building and equipment was \$744,738. Repairs were completed in 2023.

Note 15. Subsequent Events

On June 4, 2024, a fire occurred on the tipping floor at the Newport Transfer Station. At this time, the fire is still being investigated by the Town of Newport Fire Marshall's office. The Authority's surveillance video indicated that something in the trash floor caught on fire. Within hours the fire was extinguished, and there was no other damage except to the transfer station building. Initial review indicates some damage to the building, electrical wiring, and plumbing, but it has yet to be determined the extent of the damage.

Note 16. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

The Authority is not in compliance with State law (G.S. 159-34(a)), as the audit report for the year ended June 30, 2023 has not been submitted in a timely manner. During the year ended June 30, 2022, the Authority converted to a new software system that caused several significant problems, including issues with funds, account balances, and individual transactions. The issues were finally resolved, and the accounts of the Authority were ready to be audited in October 2023. The Authority plans to have all future audits submitted in a timely manner.



Required Supplementary Financial Data

This section contains additional information required by generally accepted accounting principles.

- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
Authority's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years*

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset) (%)	0.02891%	0.02809%	0.03057%	0.03108%	0.03080%	0.03100%	0.03190%	0.03290%	0.03180%	0.03240%
Authority's proportion of the net pension liability (asset) (\$)	\$ 1,630,937	\$ 430,787	\$ 1,092,396	\$ 847,132	\$ 729,732	\$ 473,594	\$ 677,662	\$ 147,924	\$ (191,608)	\$ 383,312
Authority's covered payroll	\$ 2,489,617	\$ 2,436,742	\$ 2,493,572	\$ 2,476,541	\$ 2,216,633	\$ 2,099,772	\$ 2,041,226	\$ 1,900,551	\$ 1,869,327	\$ 1,763,197
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	65.51%	17.68%	43.81%	34.21%	32.92%	22.55%	33.20%	7.78%	-10.25%	21.74%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	91.63%	94.18%	91.47%	99.09%	99.07%	102.64%	94.35%	96.45%

* The amounts presented for each fiscal year were determined as of prior fiscal year ending June 30. All information available for reporting under current GASB codification is presented. As information becomes available, it will be included in the above table.

** This will be the same percentage for all participant employers in the LGERS plan.

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
Coastal Regional Solid Waste Management Authority's Contributions
Required Supplementary Information
Last Ten Fiscal Years*

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 345,075	\$ 282,571	\$ 247,329	\$ 223,175	\$ 191,932	\$ 166,248	\$ 152,230	\$ 136,150	\$ 135,874	\$ 132,274
Contributions in relation to the contractually required contribution	345,075	282,571	247,329	223,175	191,932	166,248	152,230	136,150	135,874	132,274
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered employees payroll	<u>\$ 2,851,932</u>	<u>\$ 2,489,617</u>	<u>\$ 2,436,742</u>	<u>\$ 2,493,572</u>	<u>\$ 2,476,541</u>	<u>\$ 2,216,633</u>	<u>\$ 2,099,722</u>	<u>\$ 2,041,226</u>	<u>\$ 1,900,551</u>	<u>\$ 1,869,327</u>
Contributions as a percentage of covered payroll	12.10%	11.35%	10.15%	8.95%	7.75%	7.50%	7.25%	6.67%	7.15%	7.08%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30. All information available for reporting under current GASB Codification is presented. As information becomes available, it will be included in the above table.



SUPPLEMENTARY INFORMATION

These schedules provide a more detailed view of the Authority's operations than the "Basic Financial Statements" presented in the preceding subsection.

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

For the Fiscal Year Ended June 30, 2023

(Page 1 of 2)

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 11,140,755	\$ 10,878,050	\$ (262,705)
Compost sales	35,000	39,635	4,635
Landfill gas	70,000	84,669	14,669
Scrap tire disposal fees	275,000	349,407	74,407
NC solid waste disposal fees	494,618	456,100	(38,518)
Total operating revenues	12,015,373	11,807,861	(207,512)
OPERATING EXPENDITURES			
Personnel:			
Salaries	2,795,595	2,892,044	(96,449)
Payroll Taxes	204,900	210,691	(5,791)
Employee benefits	1,025,760	899,369	126,391
Professional services	285,000	192,684	92,316
Contractual services	5,000	259	4,741
Operating supplies	69,500	47,784	21,716
Utilities	78,000	66,281	11,719
Rent	69,500	57,585	11,915
Maintenance repairs, buildings/grounds	1,544,585	1,271,712	272,873
Vehicle supplies	1,006,300	823,663	182,637
Insurance	159,000	133,867	25,133
Travel	7,000	2,177	4,823
Employee training	23,500	18,341	5,159
Telephone	24,500	23,279	1,221
Uniforms	68,900	67,329	1,571
Advertising	13,925	12,645	1,280
Vaccines and physicals	8,300	5,067	3,233
Dues and subscriptions	3,740	3,563	177
Laboratory monitoring	42,000	17,513	24,487
Leachate management	67,000	59,310	7,690
Postage	6,500	5,205	1,295
Miscellaneous	3,500	2,640	860
Other fees	153,250	121,769	31,481
Closure and post-closure care	113,500	115,971	(2,471)
Household hazardous waste	156,500	138,704	17,796
Outreach promotion	57,000	53,416	3,584
Tire disposal	345,000	352,085	(7,085)
NC solid waste disposal tax	494,618	456,417	38,201
Capital outlay	626,868	372,143	254,725
Total operating expenditures	9,458,741	8,423,513	1,035,228
Operating revenues over (under) operating expenditures	2,556,632	3,384,348	827,716

(continued)

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

For the Fiscal Year Ended June 30, 2023

(Page 2 of 2)

	Budget	Actual	Variance
NON-OPERATING REVENUES			
Interest income	210,000	1,618	(208,382)
Insurance proceeds	526,868	889,820	362,952
Proceeds from sale of capital assets	130,000	275,300	145,300
Total non-operating revenues	866,868	1,166,738	299,870
Revenues over (under) expenditures	3,423,500	4,551,086	1,127,586
OTHER FINANCING SOURCES (USES)			
Operating transfer out	(3,423,500)	(3,423,500)	-
Total other financing sources (uses)	(3,423,500)	(3,423,500)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,127,586	\$ 1,127,586
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures			\$ 1,127,586
Reconciling items:			
Depreciation			(2,997,735)
Gain on disposal of fixed assets			(453,250)
Capital outlay			372,143
Closure and post-closure care costs, net			(1,300,068)
Increase in deferred outflows of resources - pensions			447,845
Increase in compensated absences			(36,854)
Increase in net pension liability			(1,200,150)
Decrease in deferred inflows of resources - pensions			613,485
Accrual based income from:			
Renewal and Replacement Fund			3,894,068
Change in net position			\$ 467,070

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

For the Fiscal Year Ended June 30, 2023

(Page 1 of 6)

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 11,140,755	\$ 10,878,050	\$ (262,705)
Compost sales	35,000	39,635	4,635
Landfill gas	70,000	84,669	14,669
Scrap tire disposal fees	275,000	349,407	74,407
NC solid waste disposal fees	494,618	456,100	(38,518)
Total Operating Revenues	12,015,373	11,807,861	(207,512)

OPERATING EXPENDITURES

Administration:

Personnel:			
Salaries	442,160	460,072	(17,912)
Payroll taxes	34,000	35,317	(1,317)
Employee benefits	174,500	122,497	52,003
Professional services	285,000	192,684	92,316
Operating supplies	40,500	21,052	19,448
Rent	5,500	392	5,108
Maintenance and repairs	203,135	168,998	34,137
Insurance	26,500	9,513	16,987
Travel	6,500	2,050	4,450
Employee training	23,500	18,341	5,159
Telephone	20,000	19,939	61
Uniforms	5,700	5,462	238
Postage	6,500	5,205	1,295
Other fees	15,000	13,857	1,143
Outreach promotion	43,500	39,973	3,527
Advertising	10,425	9,763	662
Dues and subscriptions	3,440	3,338	102
Miscellaneous	3,500	2,640	860
Capital outlay	626,868	372,143	254,725
Total Administration	1,976,228	1,503,236	472,992

(continued)

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

**For the Fiscal Year Ended June 30, 2023
(Page 2 of 6)**

	Budget	Actual	Variance
Tuscarora:			
Personnel:			
Salaries	905,135	946,852	(41,717)
Payroll taxes	66,200	67,630	(1,430)
Employee benefit	252,100	283,878	(31,778)
Operating supplies	19,750	18,776	974
Utilities	45,000	34,223	10,777
Rent	64,000	57,193	6,807
Closure and post-closure care	113,500	115,971	(2,471)
Maintenance and repairs	590,200	470,371	119,829
Vehicle supplies	475,000	406,056	68,944
Insurance	92,500	89,354	3,146
Uniforms	27,000	27,840	(840)
Vaccines and physicals	3,500	3,219	281
Laboratory monitoring	42,000	17,513	24,487
Other fees	78,000	74,608	3,392
Leachate management	67,000	59,310	7,690
Total Tuscarora	2,840,885	2,672,794	168,091
Newport Transfer Station:			
Personnel:			
Salaries	537,800	562,914	(25,114)
Payroll taxes	40,300	40,646	(346)
Employee benefits	230,500	207,627	22,873
Operating supplies	6,500	5,801	699
Utilities	23,000	22,430	570
Maintenance and repairs	205,500	192,331	13,169
Vehicle supplies	110,000	76,557	33,443
Telephone	2,000	1,270	730
Vaccines and physicals	1,000	751	249
Other fees	7,500	5,844	1,656
Uniforms	11,000	11,458	(458)
Total Newport Transfer Station	1,175,100	1,127,629	47,471

(continued)

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

**For the Fiscal Year Ended June 30, 2023
(Page 3 of 6)**

	Budget	Actual	Variance
Grantsboro Transfer Station:			
Personnel:			
Salaries	196,000	203,484	(7,484)
Payroll taxes	14,000	14,967	(967)
Employee benefits	67,200	57,057	10,143
Operating supplies	2,250	1,766	484
Utilities	10,000	9,628	372
Maintenance and repairs	56,200	57,955	(1,755)
Telephone	2,500	2,070	430
Vehicle supplies	38,800	10,080	28,720
Other fees	1,600	1,550	50
Uniforms	3,700	3,267	433
Total Grantsboro Transfer Station	392,250	361,824	30,426
Peletier Property:			
Maintenance and repairs	1,500	-	1,500
Total Peletier Property	1,500	-	1,500

(continued)

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

**For the Fiscal Year Ended June 30, 2023
(Page 4 of 6)**

	Budget	Actual	Variance
Yard Waste:			
Personnel:			
Salaries	161,500	160,149	1,351
Payroll taxes	11,500	11,551	(51)
Employee benefits	67,000	43,369	23,631
Maintenance and repairs	72,350	65,513	6,837
Vaccines and physicals	300	193	107
Vehicle supplies	2,500	5,481	(2,981)
Other fees	1,150	1,048	102
Uniforms	4,000	3,880	120
Total Yard Waste	320,300	291,184	29,116
Transportation:			
Personnel:			
Salaries	523,000	536,877	(13,877)
Payroll taxes	36,600	39,003	(2,403)
Employee benefits	227,500	179,123	48,377
Insurance	40,000	35,000	5,000
Maintenance and repairs	415,700	316,544	99,156
Vaccines and physicals	3,500	904	2,596
Vehicles supplies	380,000	325,489	54,511
Other fees	50,000	24,862	25,138
Uniforms	12,000	12,248	(248)
Contract hauling	5,000	259	4,741
Total Transportation	1,693,300	1,470,309	222,991

(continued)

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

**For the Fiscal Year Ended June 30, 2023
(page 5 of 6)**

	Budget	Actual	Variance
Outreach and Planning:			
Personnel:			
Salaries	30,000	21,696	8,304
Payroll taxes	2,300	1,577	723
Employee benefits	6,960	5,818	1,142
Operating supplies	500	389	111
Advertising	3,500	2,882	618
Outreach promotions	13,500	13,443	57
Travel	500	127	373
Dues and subscriptions	300	225	75
Uniforms	5,500	3,174	2,326
Total outreach and planning	63,060	49,331	13,729
Special Projects:			
NC Solid waste disposal tax	494,618	456,417	38,201
Tire disposal	345,000	352,085	(7,085)
Household hazardous waste disposal	156,500	138,704	17,796
Total special projects	996,118	947,206	48,912
Total operating expenditures	9,458,741	8,423,513	1,035,228
Operating revenues over (under) expenditures	2,556,632	3,384,348	827,716

(continued)

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

For the Fiscal Year Ended June 30, 2023

(Page 6 of 6)

	Budget	Actual	Variance
NON-OPERATING REVENUES			
Interest income	210,000	1,618	(208,382)
Insurance proceeds	526,868	889,820	362,952
Proceeds from sale of capital assets	130,000	275,300	145,300
Total non-operating revenues	866,868	1,166,738	299,870
Revenues over (under) expenditures	3,423,500	4,551,086	1,127,586
OTHER FINANCING SOURCES (USES)			
Operating transfer out	(3,423,500)	(3,423,500)	-
Total other financing sources (uses)	(3,423,500)	(3,423,500)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,127,586	\$ 1,127,586

Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures			\$ 1,127,586
Reconciling items:			
Depreciation			(2,997,735)
Gain on disposal of fixed assets			(453,250)
Capital outlay			372,143
Closure and post-closure care costs, net			(1,300,068)
Increase in deferred outflows of resources - pensions			447,845
Increase in compensated absences			(36,854)
Increase in net pension liability			(1,200,150)
Decrease in deferred inflows of resources - pensions			613,485
Accrual based income from:			
Renewal and Replacement Fund			3,894,068
Change in net position			\$ 467,070



**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
RENEWAL AND REPLACEMENT FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance
NON-OPERATING REVENUES			
Interest income	\$ 10,000	\$ 551,491	\$ 541,491
Total non-operating revenues	10,000	551,491	541,491
OPERATING EXPENDITURES			
Capital outlay	2,420,000	2,324,223	95,777
Total operating expenditures	2,420,000	2,324,223	95,777
Revenues over (under) expenditures	(2,410,000)	(1,772,732)	637,268
OTHER FINANCING SOURCES (USES)			
Operating transfer in	2,410,000	3,342,577	932,577
Total other financing sources (uses)	2,410,000	3,342,577	932,577
Revenues and other financing sources over (under) expenditures	\$ -	\$ 1,569,845	\$ 1,569,845

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
LANDFILL CONSTRUCTION CAPITAL PROJECT FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Actual</u>				Variance with Final Budget - Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
EXPENDITURES					
Capital outlay					
Landfill construction	\$ 12,700,000	\$ 11,665,307	\$ -	\$ 11,665,307	\$ 1,034,693
Engineering fees	940,000	636,971	-	636,971	303,029
Permits and application fees	-	-	80,923	80,923	(80,923)
Total expenditures	13,640,000	12,302,278	80,923	12,302,278	1,337,722
Revenues over (under) expenditures	(13,640,000)	(12,302,278)	(80,923)	(12,302,278)	1,337,722
OTHER FINANCING SOURCES (USES)					
Operating transfers in	13,633,000	12,330,245	80,923	12,411,168	(1,221,832)
Operating transfers out	-	(23,768)	-	(23,768)	(23,768)
Fund balance appropriated	7,000	-	-	-	(7,000)
Total other financing sources (uses)	13,640,000	12,306,477	80,923	12,387,400	(1,252,600)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 4,199	\$ -	\$ 85,122	\$ 85,122

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
LANDFILL CLOSURE FUND**

**DETAILED SCHEDULE OF REVENUE, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**

For the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Current Year	Total To Date	Variance with Final Budget - Positive (Negative)
EXPENDITURES					
Engineering fees	\$ 213,000	\$ 194,424	\$ -	\$ 194,424	\$ 18,576
Capital outlay	2,644,975	2,454,633	-	2,454,633	190,342
Total expenditures	2,857,975	2,649,057	-	2,649,057	208,918
Revenues over (under) expenditures	(2,857,975)	(2,649,057)	-	(2,649,057)	208,918
OTHER FINANCING SOURCES (USES)					
Operating transfers in	2,457,975	4,094,103	-	4,094,103	1,636,128
Operating transfers out	-	(18,796)	-	(18,796)	(18,796)
Fund balance appropriated	400,000	-	-	-	(400,000)
Total other financing sources (uses)	2,857,975	4,075,307	-	4,075,307	1,217,332
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,426,250	\$ -	\$ 1,426,250	\$ 1,426,250



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MEMBERS
NORTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Coastal Regional Solid Waste Management Authority
Cove City, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Coastal Regional Solid Waste Management Authority ("Authority") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements and have issued our report thereon dated July 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as Finding 23-1, 23-2, and 23-3 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as Finding 23-2.

Coastal Regional Solid Waste Management Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

This 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 Authority'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.

Barrow, Parris & Davenport, P.A.

BARROW, PARRIS & DAVENPORT, P.A.
Kinston, North Carolina

July 12, 2024



**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES**

For the Fiscal Year Ended June 30, 2023

II. FINANCIAL STATEMENT FINDINGS

**FINDING 23-1
MATERIAL WEAKNESS**

Criteria: N.C. General Statute 105-164.14(c) states that certain governmental entities, including regional solid waste management authorities, are allowed annual refunds of sales and use taxes paid on direct purchases of items. In order to claim the refund, entities submit Form E-585 Nonprofit and Governmental Entity Claim for Refund State, County, and Transit Sales and Use Taxes. Amounts claimed should be accurate and reflect the amount of sales taxes paid to vendors during the applicable year. Form E-585 preparation should be based upon amounts derived from paid invoices and other records.

Condition: The Authority submitted two requests for refunds (Forms E-585) in February 2024, one for the year ended June 30, 2022 in the amount of \$376,047, and one for the year ended June 30, 2023 in the amount of \$408,569. The amount of the claims for refund combined for the two years was materially overstated: \$197,693 and \$220,160 were the correct amounts of the refunds for the years ended June 30, 2022 and 2023, respectively. The Authority received \$375,800 of the sales tax refund for the year ended June 30, 2022 in March 2024, and has since repaid \$178,107, the difference between the amount received (\$375,800) and the correct amount of the refund (\$197,693) for the year ended June 30, 2022. The Authority has since submitted amended Forms E-585 to reflect the correct amounts for both years.

Effect: The Authority claimed \$366,762 more in sales tax refunds than actual amounts of sales tax paid for the years ended June 30, 2022 and 2023 combined.

Cause: During the year ended June 30, 2022, the Authority converted to a new software system. Several significant problems ensued as a result of this conversion. When personnel responsible for preparation of the Forms E-585 imported amounts from the new software system, amounts of sales taxes, apparently from prior years, were included on the Form E-585 for the year ended June 30, 2022. Since accounts for the year ended June 30, 2022 had not been closed at the time the Form E-585 for the year June 30, 2023 was prepared, apparently some amounts that were included on the Form E-585 for June 30, 2022 were duplicated on the Form E-585 for June 30, 2023. Both Forms E-585 were submitted before review by management and other personnel for accuracy and completeness.

Recommendation: Forms E-585 should be prepared accurately using amounts from paid invoices and other underlying documents.

**Views of Responsible
Officials and Planned
Corrective Action:**

We agree with this finding. As noted earlier, we have filed amended Forms E-585 for the years ended June 30, 2022 and 2023 with accurate and complete amounts. We will accurately prepare Forms E-585 in the future.

FINDING 23-2
MATERIAL WEAKNESS
MATERIAL NONCOMPLIANCE

Criteria: N.C. General Statute 159-34(a) states that each unit of local government shall have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant certified by the Local Government Commission as qualified to audit local government accounts. Audit reports are due four months after the local government's fiscal year end.

Condition: The audit report for the year ended June 30, 2023 has not been submitted in a timely manner.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit 22-2.

Effect: The Authority is not in compliance with N.C. General Statute 159-34(a).

Cause: During the year ended June 30, 2022, the Authority converted to a new software system. Several significant problems ensued as a result of this conversion, and the accounts of the Authority were ready to be audited in October 2023. The audit for the year ended June 30, 2022 was not completed until February 27, 2024. As a result, the accounts of the Authority for the year ended June 30, 2023 were not ready to be audited until May of 2024.

Recommendation: The books and records of the Authority should be ready for the independent audit on a timeline that will allow submission of the audit report by the due date in future years.

Views of Responsible Officials and Planned

Corrective Action: We agree with this finding. We plan to have the June 30, 2024 audit submitted in a timely manner.

FINDING 23-3
MATERIAL WEAKNESS

Criteria: Bank accounts should be reconciled monthly, financial transactions should be entered into the accounting system at regular intervals, accounts should be adjusted to correct amounts, and financial reports should be prepared within a reasonable period of time to ensure that management is provided with accurate, timely financial reports.

Condition: During the year, bank accounts were not reconciled in a timely manner and other accounts were not adjusted. Several transactions and journal entries were recorded by the Authority that produced incorrect general ledger balances. Also, some transactions were not included in the general ledger at all, requiring audit adjustments to correct.

Identification of a Repeat Finding: This is a repeat finding from the immediate previous audit 22-3.

Effect: Monthly financial reports prepared for management were inaccurate and not received in a timely manner.

Cause: During the year ended June 30, 2022, the Authority converted to a new software system. Several significant problems ensued as a result of this conversion, and the accounts of the Authority were ready to be audited in October 2023. The audit for the year ended June 30, 2022 was not completed until February 27, 2024. As a result, interim financial reporting for the year ended June 30, 2023 was not accurate and timely.

Recommendation: All bank accounts should be reconciled correctly in a timely manner to ensure financial reporting can be prepared accurately and timely. Financial personnel responsible for the preparation and recording of general ledger transactions should ensure that all transactions are included, and journal entries are accurate and necessary to correct account balances.

Views of Responsible Officials and Planned

Corrective Action: We agree with this finding. Because of problems stemming from the software conversion, bank accounts were not reconciled monthly or accurately, as financial personnel for the Authority had to enter several transactions and make several adjustments to general ledger accounts over a number of months. We will reconcile bank accounts timely and accurately in the future.



STATISTICAL SECTION

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents	Page
Financial Trends	86
<i>These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.</i>	
Revenue Capacity	87
<i>These schedules contain information to help the reader assess the Authority's most significant local revenue source, the municipal solid waste.</i>	
Demographic and Economic Information	94
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.</i>	
Operating Information	96
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.</i>	



**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
NET POSITION BY COMPONENT**

Last Ten Fiscal Years

Coastal Regional Solid Waste Management Authority
NET POSITION BY COMPONENT
Last Ten Fiscal Years

Table 1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	\$ 18,979,865	\$ 19,734,484	\$ 20,902,225	\$ 21,534,106	\$ 22,510,963	\$ 13,348,633	\$ 13,709,926	\$ 15,233,910	\$ 16,724,291	\$ 20,044,446
Unrestricted	2,489,474	1,267,785	(175,851)	(1,001,865)	(3,232,462)	1,939,751	1,046,599	309,831	(1,745,342)	(3,901,427)
Total net position	\$ 21,469,339	\$ 21,002,269	\$ 20,726,374	\$ 20,532,241	\$ 19,278,501	\$ 15,288,384	\$ 14,756,525	\$ 15,543,741	\$ 14,978,949	\$ 16,143,019

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
CHANGES IN NET POSITION**

Last Ten Fiscal Years

Coastal Regional Solid Waste Management Authority
CHANGES IN NET POSITION
Last Ten Fiscal Years

Table 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating revenue										
Charges for services	\$ 10,878,050	\$ 11,124,115	\$ 10,934,466	\$ 11,744,952	\$ 14,971,102	\$ 9,310,455	\$ 9,285,920	\$ 8,945,661	\$ 8,532,548	\$ 8,383,048
Compost sales	39,635	45,114	35,553	22,991	34,675	23,492	31,692	33,994	50,432	51,214
Landfill gas	84,669	26,980	29,091	36,456	49,528	42,391	45,934	71,499	73,888	52,144
Scap tire disposal fees	349,407	305,644	282,777	255,423	264,335	251,314	252,080	250,554	252,916	247,487
NC solid waste disposal fees	456,100	473,273	461,586	490,484	652,080	400,187	395,664	385,924	371,006	364,221
Total operating revenue	11,807,861	11,975,126	11,743,473	12,550,306	15,971,720	10,027,839	10,011,290	9,687,632	9,280,790	9,098,114
Non-operating revenue										
Interest income	553,109	15,154	3,870	137,293	283,382	171,600	69,111	23,565	5,062	2,245
Insurance proceeds	-	14,900	-	-	3,270	-	-	-	-	-
Gain on disposal of assets	134,596	275,458	171,707	73,695	20,000	192,391	123,466	183,341	317,667	77,711
Extraordinary item	577,274	-	-	-	-	-	-	-	-	-
Total non-operating revenue	1,264,979	305,512	175,577	210,988	306,652	363,991	192,577	206,906	322,729	79,956
Total revenue	13,072,840	12,280,638	11,919,050	12,761,294	16,278,372	10,391,830	10,203,867	9,894,538	9,603,519	9,178,070
Operating expenses										
Operating expenses	8,191,996	8,042,875	7,681,324	7,663,431	7,247,505	6,111,233	5,861,951	5,666,450	5,447,709	5,836,625
Closure and post-closure care	1,416,039	935,207	1,074,762	767,994	1,219,874	808,929	1,914,350	675,566	1,006,134	714,601
Depreciation	2,997,735	3,026,661	2,968,831	3,076,129	3,820,876	2,939,809	3,214,782	2,987,730	4,062,710	3,192,029
Total operating expenses	12,605,770	12,004,743	11,724,917	11,507,554	12,288,255	9,859,971	10,991,083	9,329,746	10,516,553	9,743,255
Change in net position	\$ 467,070	\$ 275,895	\$ 194,133	\$ 1,253,740	\$ 3,990,117	\$ 531,859	\$ (787,216)	\$ 564,792	\$ (913,034)	\$ (565,185)

COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING REVENUE BY SOURCE
Last Ten Fiscal Years

Coastal Regional Solid Waste Management Authority
OPERATING REVENUE BY SOURCE
 Last Ten Fiscal Years

Table 3

Fiscal Year	Municipal Solid Waste	Leaves/Yard Waste	Construction & Demolition Debris	Other	Compost Sales	Landfill Gas	Scrap Tire Disposal Fees	NC Solid Waste Disposal Fees	Total
2023	\$ 7,769,852	\$ 304,257	\$ 2,613,280	\$ 190,661	\$ 39,635	\$ 84,669	\$ 349,407	\$ 456,100	\$ 11,807,861
2022	7,505,503	334,235	3,102,320	182,057	45,114	26,980	305,644	473,273	11,975,126
2021	7,846,247	317,046	2,688,957	82,216	35,553	29,091	282,777	461,586	11,743,473
2020	7,396,164	499,541	3,736,383	112,864	22,991	36,456	255,423	490,484	12,550,306
2019	6,992,598	345,262	7,412,692	220,550	34,675	49,528	264,335	652,080	15,971,720
2018	6,432,219	194,641	2,528,592	155,003	23,492	42,391	251,314	400,187	10,027,839
2017	6,405,433	237,512	2,591,119	51,011	31,692	45,934	252,925	395,664	10,011,290
2016	6,321,668	146,107	2,464,621	13,163	33,994	71,499	250,656	385,924	9,687,632
2015	6,072,569	140,536	2,301,583	17,860	50,432	73,888	252,916	371,006	9,280,790
2014	5,895,162	151,255	2,304,304	32,327	51,214	52,144	247,487	364,221	9,098,114

OPERATING REVENUE BY FACILITY
 Last Ten Fiscal Years

Table 4

Fiscal Year	Tuscarora	Newport Transfer Station	Grantsboro Transfer Station	Non- classified	Total
2023	\$ 3,871,795	\$ 5,939,814	\$ 1,007,673	\$ 988,579	\$ 11,807,861
2022	4,177,043	5,982,614	872,420	943,049	11,975,126
2021	3,539,633	6,510,587	828,416	864,837	11,743,473
2020	3,842,110	7,066,545	805,553	836,098	12,550,306
2019	6,112,737	7,976,425	794,207	1,088,351	15,971,720
2018	3,253,115	5,506,812	534,989	732,923	10,027,839
2017	3,214,269	5,448,831	570,964	777,226	10,011,290
2016	3,243,639	5,166,777	514,521	762,695	9,687,632
2015	3,147,126	4,908,546	459,016	766,102	9,280,790
2014	3,241,129	4,627,472	482,120	747,393	9,098,114

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
OPERATING EXPENSE**

Last Ten Fiscal Years

Coastal Regional Solid Waste Management Authority
OPERATING EXPENSES
Last Ten Fiscal Years

Table 5

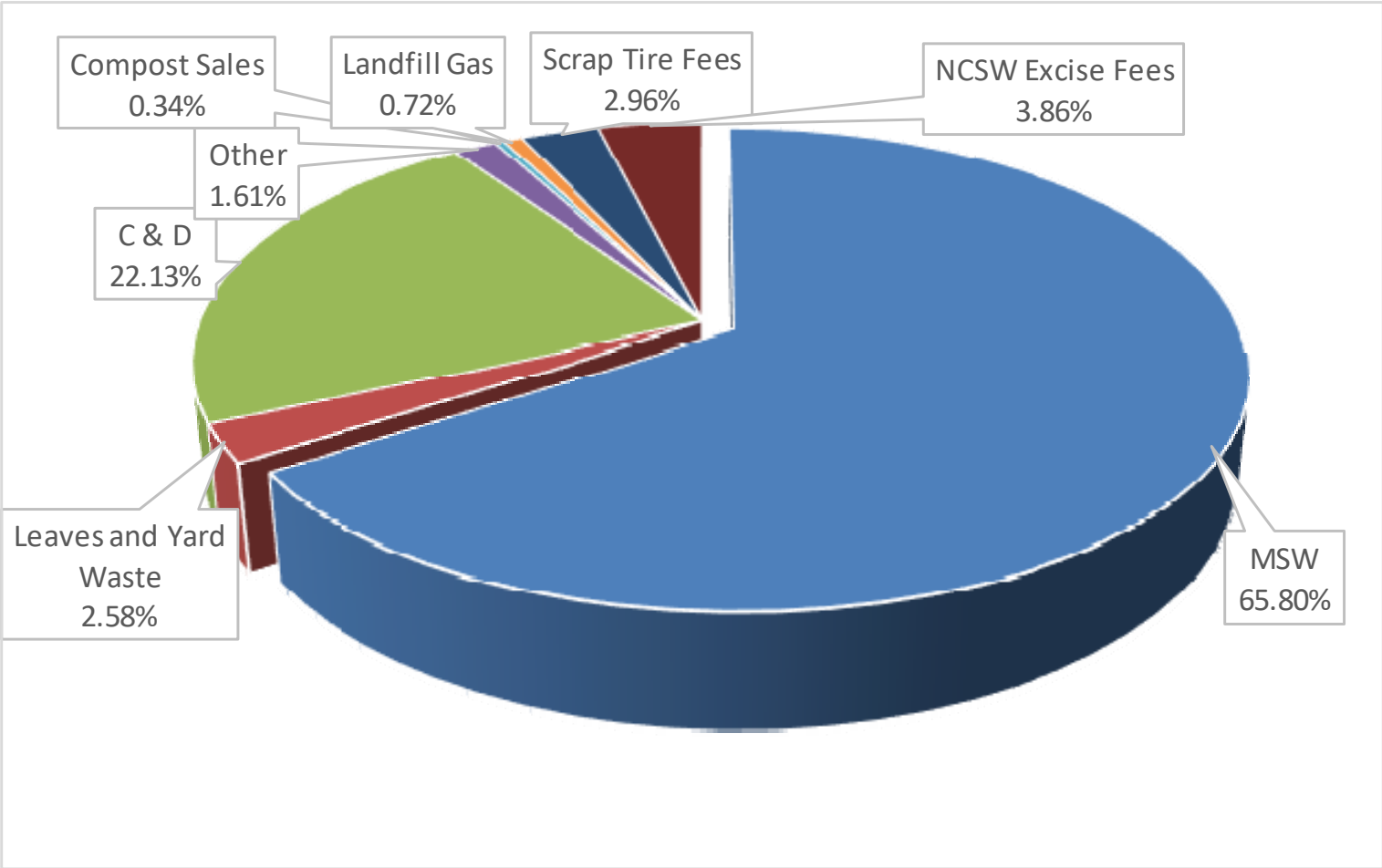
Fiscal Year	Depreciation	Closure & Post-Closure	Operations	Total
2023	\$ 2,997,735	\$ 1,416,039	\$ 8,191,996	\$ 12,605,770
2022	3,026,661	935,207	8,042,875	12,004,743
2021	2,968,831	1,074,762	7,681,324	11,724,917
2020	3,076,129	767,994	7,663,431	11,507,554
2019	3,820,876	1,219,874	7,247,505	12,288,255
2018	2,939,809	808,929	6,111,233	9,859,971
2017	3,214,782	1,914,350	5,861,951	10,991,083
2016	2,987,730	675,566	5,666,450	9,329,746
2015	4,062,710	1,006,134	5,447,709	10,516,553
2014	3,192,029	714,601	5,836,625	9,743,255

Coastal Regional Solid Waste

Management Authority

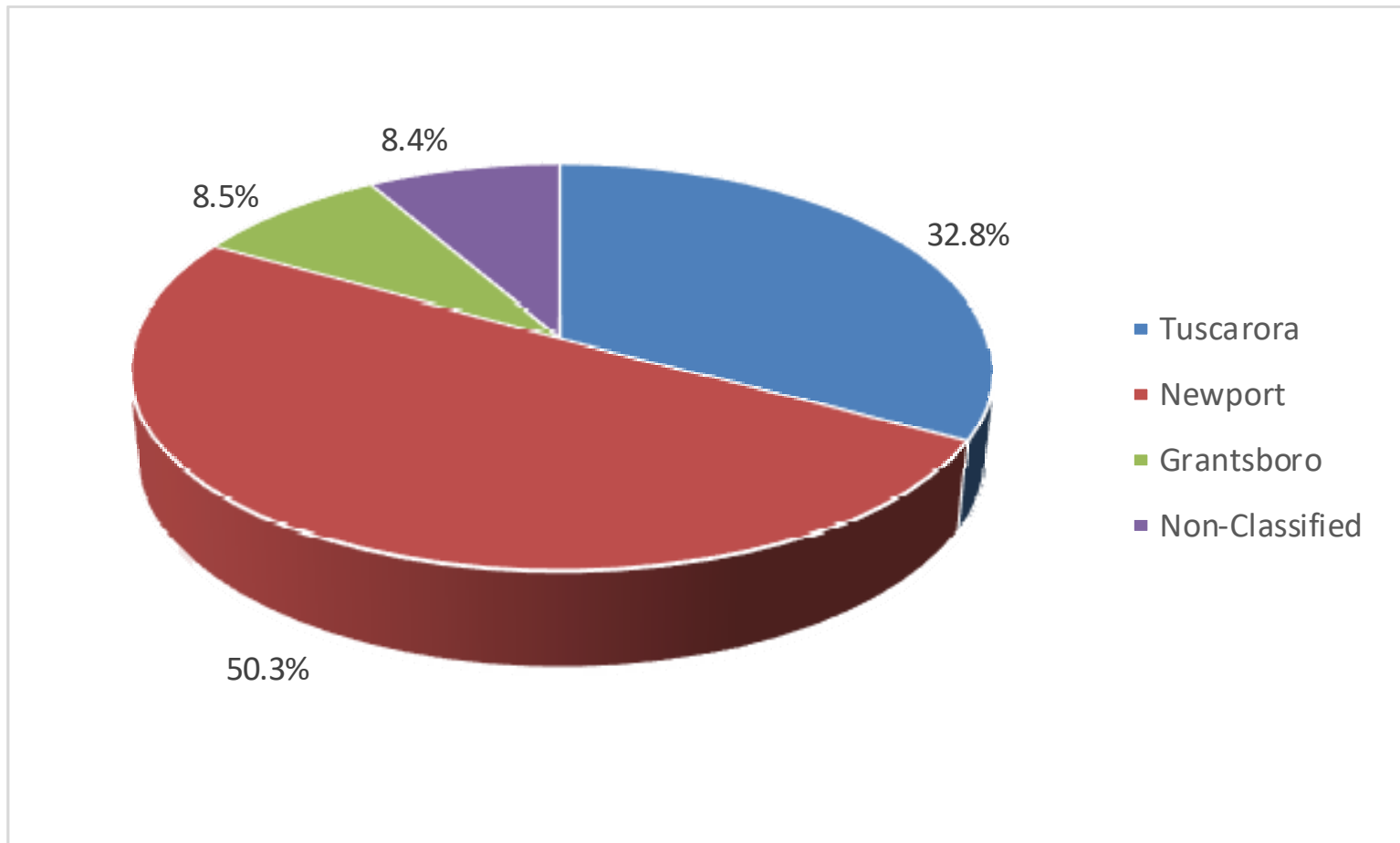
Operating Revenue by Source

Fiscal Year Ended June 30, 2023



Coastal Regional Solid Waste Management Authority

Operating Revenue by Facility
Fiscal Year Ended June 30, 2023

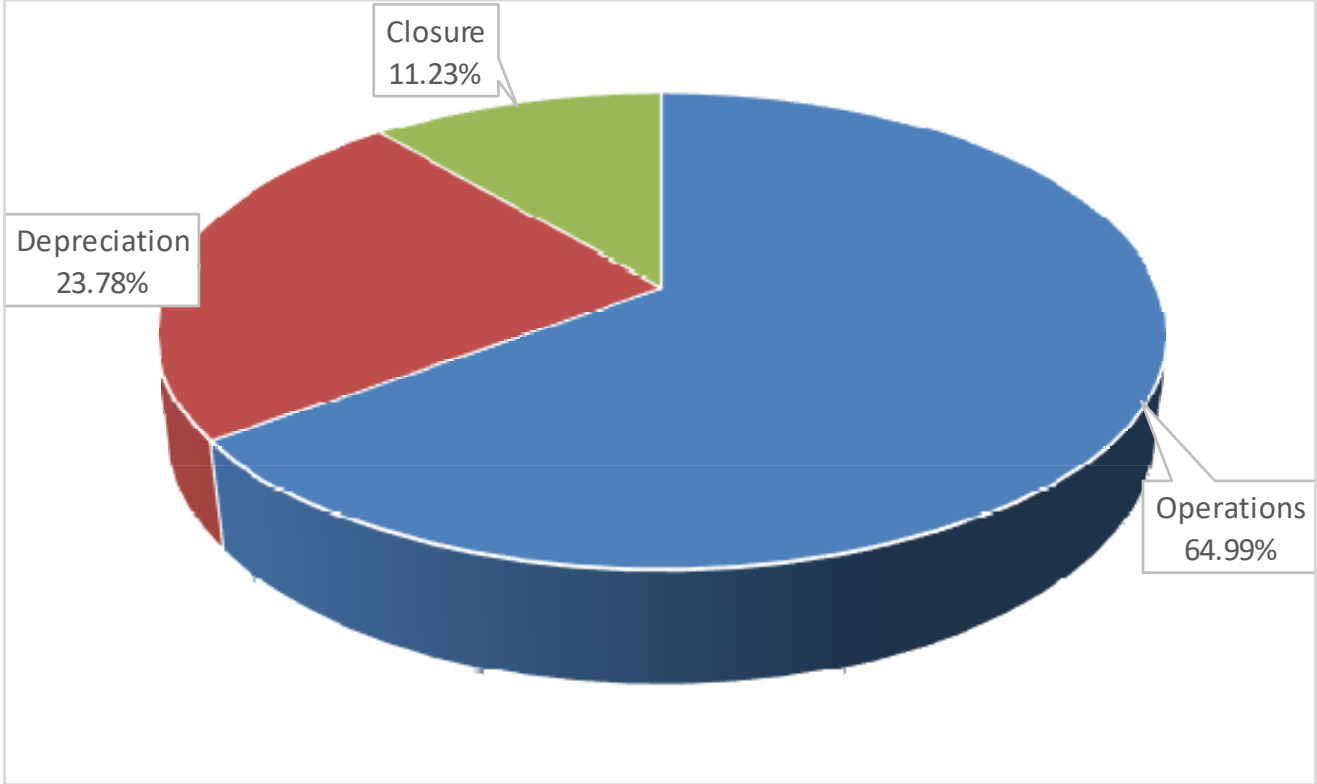


Coastal Regional Solid Waste

Management Authority

Operating Expenses

Fiscal Year Ended June 30, 2023



**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
PRINCIPAL REVENUE GENERATING CUSTOMERS**

Current Year and Nine Years Ago

Table 6

Customer	2023			2014		
	Annual Revenue	Rank	Percent of Total Revenue	Annual Revenue	Rank	Percent of Total Revenue
Waste Industries	\$ 6,835,903	1	57.89%	\$ 2,995,300	1	32.92%
Waste Removal LLC	549,060	2	4.65%	-	-	-
Evo Corporation	188,553	3	1.60%			
Simmons & Simmons Mgmt Group	181,262	4	1.54%	171,091	4	1.88%
Sunland Development	172,614	5	1.46%	-	-	-
Waldo Richards	143,471	6	1.22%	122,758	6	1.35%
Six-Nations Inc.	125,393	7	1.06%	-	-	-
Cedar Pointe Containers	122,036	8	1.03%	126,271	5	1.39%
Carolina Waste Removal Co.	119,570	9	1.01%	69,470	9	0.76%
Go Away Garbage, Inc.	115,389	10	0.98%	-	-	-
GDS	-	-	-	2,988,929	2	32.85%
BMAKK Corporation	-	-	-	381,298	3	4.19%
Onslow Container Service, Inc.	-	-	-	84,734	7	0.93%
Town of Beaufort	-	-	-	80,563	8	0.89%
Trader Construction Co.	-	-	-	65,813	10	0.72%

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
DEMOGRAPHIC STATISTICS**

Last Ten Fiscal Years

Table 7

Fiscal Year	Estimated Population (1)	Personal Income (1) (thousands)	Per Capita Personal Income (1)	Unemployment Rate (1)	Residential Building Permits Issued (2)	Per Capita Disposal Rate per Tons (3)
2022	185,131	\$ 10,500,630	\$ 56,720	3.7	1,350	1.33
2021	183,822	10,325,466	56,171	4.5	1,065	1.26
2020	187,645	9,795,632	52,203	7.1	772	1.30
2019	188,906	9,099,980	48,172	4.3	692	1.40
2018	187,649	8,594,529	45,801	4.7	745	1.10
2017	186,825	8,235,007	44,077	4.6	563	1.12
2016	189,379	8,032,866	42,967	5.2	642	1.08
2015	186,691	7,619,233	40,812	5.2	765	1.03
2014	188,437	7,516,210	40,260	6.1	484	0.96
2013	187,693	7,517,663	40,053	7.8	602	1.01

* Information not yet available

Notes:

(1) Employment Security Commission of NC

(2) US Census Bureau

(3) Municipal Solid Waste and Construction and Demolition Debris landfill by the Authority

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
 TONNAGE BY COUNTY
 COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
 PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago**

Last Ten Fiscal Years

Table 8

Employer	2023		Employer	2014	
	Rank	Employment Range		Rank	Employment Range
Department of Defense (1)	1	1,000+	Department of Defense	1	1,000+
CarolinaEast Health System	2	1,000+	State of North Carolina	2	1,000+
BSH Home Appliances	3	1,000+	CarolinaEast Health System	3	1,000+
Craven County Schools	4	1,000+	Craven County Schools	4	1,000+
Carteret County Schools	5	1,000+	Carteret County Public Schools	5	1,000+
Carteret General Hospital	6	1,000+	Carteret General Hospital	6	500-999
State of North Carolina	7	500-999	Moen Incorporated	7	500-999
Wal-Mart	8	500-999	BSH Home Appliances	8	500-999
Moen Incorporated	9	500-999	Wal-Mart	9	500-999
Carteret County	10	500-999	Craven County	10	500-999

Sources: Craven County, NC and Carteret County ACFR's

Notes: (1) Excludes active duty military personnel based in the Authority area, but does include civilian employees both the Fleet Readiness Center, Naval Health Clinic, and MCAS Cherry Point.

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
MISCELLANEOUS OPERATIONAL AND CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

Table 9

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuscarora Landfill										
Property Owned in acres	558	558	558	558	558	558	558	558	558	558
Number of employees	45	45	44	44	43	43	43	43	43	42
Annual number of transactions	50,603	51,061	52,736	50,320	57,799	40,422	38,439	37,158	35,535	34,963
Percentage of cumulative airspace consumed (1)	31.21	23.54	16.00	7.70	97.36	80.90	70.00	55.00	40.20	17.30
Annual rainfall in inches	42.59	34.53	58.65	53.94	65.52	51.75	72.29	58.10	61.43	49.47
Feet of leachate collection lines	17,250	17,250	17,250	16,365	12,765	12,765	12,765	12,765	12,765	12,765
Gallons of leachate treated	5,907,975	8,590,870	16,059,160	11,634,520	5,718,320	4,102,701	5,356,910	4,133,243	4,466,343	5,827,519
Feet of gas collection lines	20,760	20,760	20,760	19,460	19,460	14,070	14,070	14,070	14,070	14,070
Gas collection wells	93	93	93	80	80	69	69	69	69	69
Landfill gas converted to electricity in BTU's (2)	278,458	255,954	403,738	195,406	255,391	274,326	303,410	319,305	302,255	281,673
Ground water sampling wells	46	46	46	46	46	46	38	38	38	38
Number of compactors	3	3	3	3	3	4	4	4	4	4
Number of excavators	4	4	4	4	4	2	2	2	2	2
Number of off road trucks	3	3	3	2	2	1	1	1	1	1
Number of on road trucks	17	17	17	17	15	15	15	15	15	15
Number of dozers	3	3	2	2	2	2	2	2	2	2
Compost facility										
Sales of compost in tons	1,966	2,182	3,553	2,296	1,167	1,010	1,043	1,133	1,680	1,707
Number of compost customers	1,372	1,219	1,969	1,354	897	771	892	921	1,133	1,319
Transfer stations										
Number of transfer stations	2	2	2	2	2	2	2	2	2	2
Annual number of transactions	82,847	134,155	84,886	90,050	95,452	72,007	72,008	67,072	66,022	61,858
Number of loaders	4	4	3	3	3	3	3	3	3	3
Number of transfer trailers	34	34	29	29	29	29	36	29	29	29

(1) Percentage of airspace consumed reflects the cell structure of landfill phases as CRSWMA builds and fills cells.

(2) BTU's expressed in millions.

**COASTAL REGIONAL SOLID WASTE MANAGEMENT AUTHORITY
TONNAGE BY COUNTY**

Last Ten Fiscal Years

Table 10

Fiscal Year	Municipal Solid Waste			Leaves and Yardwaste			Construction and Demolition Debris		
	Craven County	Carteret County	Pamlico County	Craven County	Carteret County	Pamlico County	Craven County	Carteret County	Pamlico County
2023	60,146	93,625	14,470	6,035	5,607	972	34,170	19,741	6,004
2022	60,550	91,302	11,760	7,459	6,110	636	43,596	23,489	5,138
2021	62,654	97,652	11,063	6,424	6,228	553	27,748	27,579	4,777
2020	62,877	89,109	10,046	5,461	12,655	764	35,025	43,317	5,233
2019	62,694	81,669	9,383	7,562	6,614	459	92,169	72,303	5,822
2018	61,391	73,211	7,871	4,166	4,420	361	18,888	33,439	2,416
2017	59,529	73,118	7,902	7,048	4,318	461	21,054	32,402	3,063
2016	61,738	69,189	7,532	3,482	3,176	227	22,055	31,338	2,445
2015	60,635	66,537	6,714	1,301	4,356	261	20,931	28,604	2,165
2014	60,662	63,115	6,853	1,749	4,018	310	23,408	26,241	2,463

TONNAGE BY SOURCE

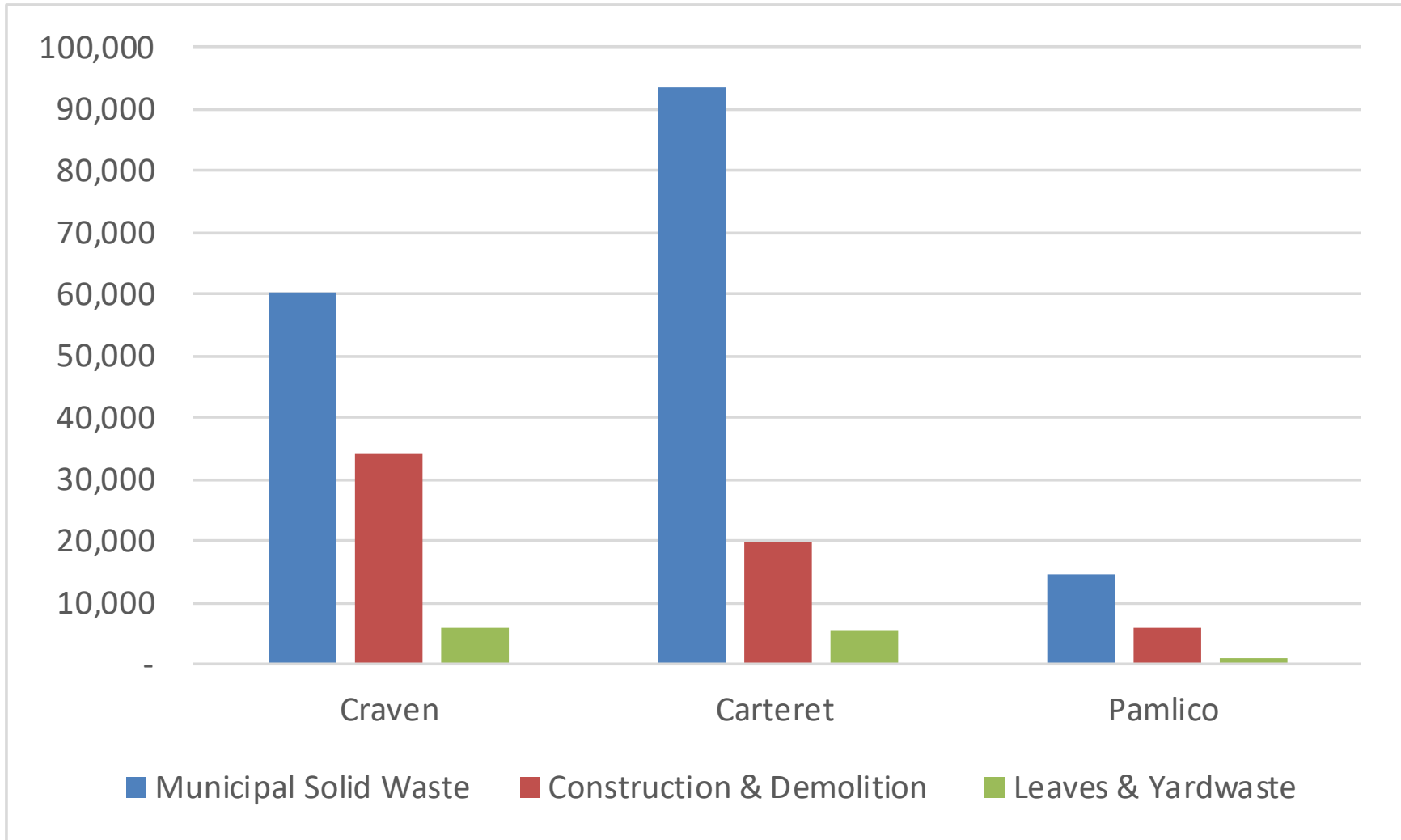
Last Ten Fiscal Years

Table 11

Fiscal Year	Residential	Commercial	Construction & Demolition
2023	88,764	92,091	59,915
2022	87,280	90,537	72,223
2021	80,290	104,284	60,104
2020	79,239	101,673	83,575
2019	74,088	94,293	170,294
2018	66,625	84,795	54,743
2017	67,045	85,331	56,518
2016	63,434	80,734	57,014
2015	60,228	79,576	51,700
2014	56,128	80,579	52,112

Coastal Regional Solid Waste Management Authority

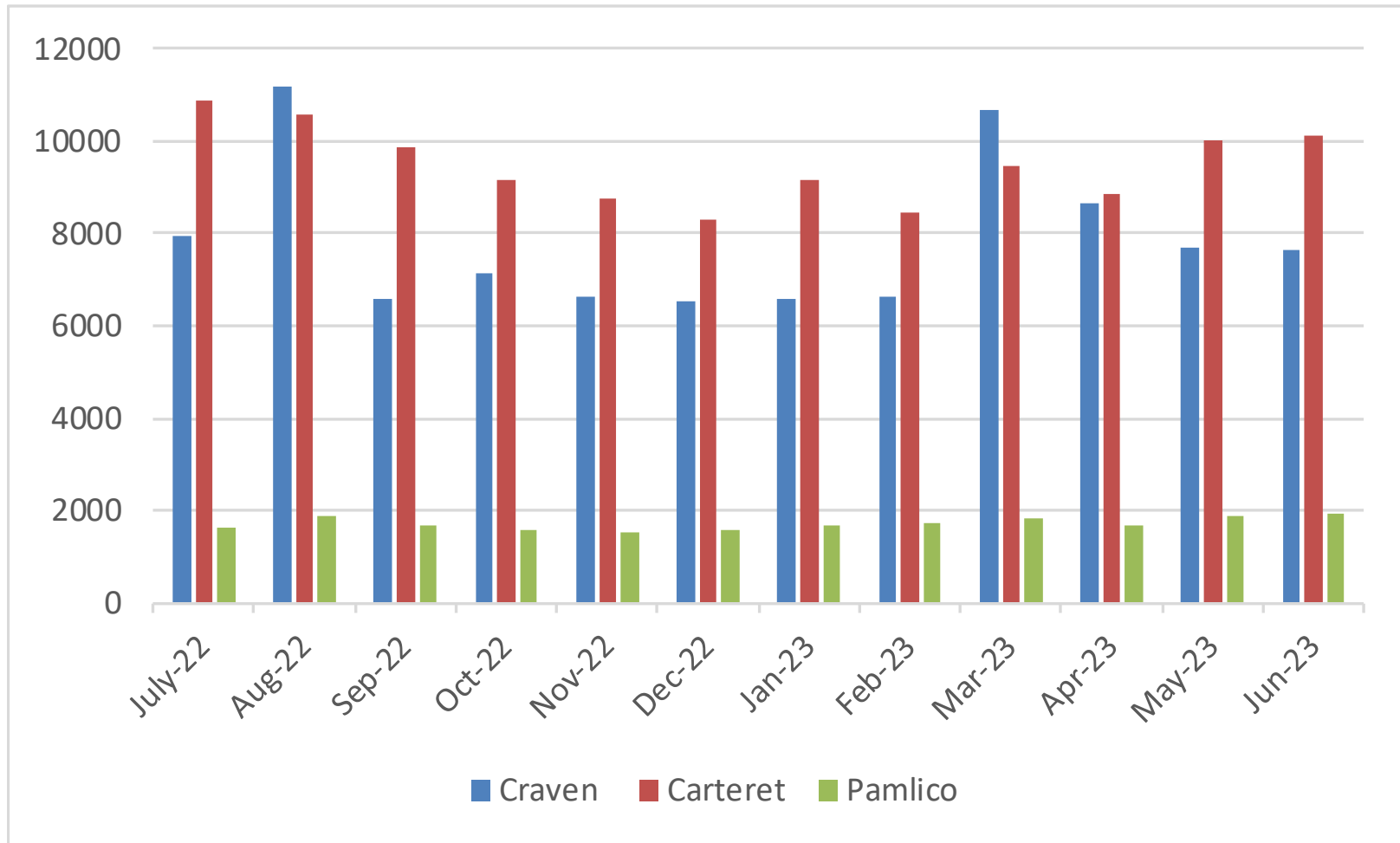
Tonnage by County
Fiscal Year Ended June 30, 2023



Coastal Regional Solid Waste Management Authority

Solid Waste Tonnage by County by Month

Fiscal Year Ended June 30, 2023



Coastal Regional Solid Waste Management Authority

Tonnage by Source
Fiscal Year Ended June 30, 2023

