

Southern Idaho Regional Solid Waste District

**Financial Statements
&
Independent Auditors' Report**

September 30, 2021 & September 30, 2020

Southern Idaho Regional Solid Waste District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southern Idaho Regional Solid Waste District

We have audited the accompanying financial statements of Southern Idaho Regional Solid Waste District which comprise the statements of financial position as of and for the years ended September 30, 2021 and 2020, the related statements of revenues, expenses & changes to net position and statements of cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, except for the effects of the matter discussed in the following paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Idaho Regional Solid Waste District, as of September 30, 2021 and 2020 and the results of its operations and cash flows of the proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the other required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Southern Idaho Regional Solid Waste District's basic financial statements. The supplementary financial section is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary financial section 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. Such 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 supplementary financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southern Idaho Regional Solid Waste District's internal control over financial reporting and compliance.



Garald Price & Associates, PLLP
Burley, ID 83318

January 22, 2022

Southern Idaho Regional Solid Waste District

Statements of Net Position

September 30,

Assets

	2021	2020
Current Assets		
Cash & cash equivalents (note B)	\$ 5,988,075	\$ 5,355,474
Accounts receivable (note A-8)	1,640,509	1,297,285
Other current assets (note C)	1,057,115	923,249
Total Current Assets	8,685,699	7,576,008
Restricted Assets (note B)		
Acquisition, closure & construction:		
Cash & cash equivalents	7,820,266	6,913,915
Total Restricted Assets	7,820,266	6,913,915
Property, Plant & Equipment (note D)		
(net of depreciation)	19,298,451	20,335,254
Other Assets (note A.6)	73,794	-
Total Other Assets	73,794	-
Total Assets	35,878,212	34,825,177
Deferred outflows of resources		
Related to pensions (note M)	1,063,070	555,482

The accompanying notes and auditors' report are an integral part of these statements.

Southern Idaho Regional Solid Waste District

Statements of Net Position September 30,

Liabilities

	2021	2020
Current Liabilities		
Accounts payable	372,289	152,850
Accrued liabilities (note E)	637,116	389,670
Capital lease payable current portion (note H)	188,998	177,869
Loans payable - current (note G)	281,691	274,453
Total Current Liabilities	1,480,094	994,842
Long-Term Liabilities		
Loans payable - non-current (note G)	207,791	489,482
Capital lease payable (note H)	7,377,487	7,566,485
Net pension liability (note M)		2,162,720
Closure payable (note I)	2,830,356	1,636,539
Total Long-Term Liabilities	10,415,634	11,855,226
Total Liabilities	11,895,728	12,850,068
Deferred inflows of resources		
Related to Pensions (note M)	2,360,722	70,619
Related to deferred county revenues (note F)	2,765,515	2,684,590
Total deferred inflows of resources	5,126,237	2,755,209
Net Position		
Net Investment in Capital Assets	16,333,704	16,229,608
Restricted	1,092,508	874,734
Unrestricted	2,493,105	2,671,041
Total Net Position	\$ 19,919,317	\$ 19,775,383

The accompanying notes and auditors' report are an integral part of these statements.

Southern Idaho Regional Solid Waste District

Statements of Revenues, Expenses & Changes in Net Position
For Years Ended September 30,

	<u>2021</u>	<u>2020</u>
Operating Revenues	\$ 10,727,307	\$ 10,876,161
Operating Expenses	<u>10,150,249</u>	<u>9,564,058</u>
Net Operating Income	<u>577,059</u>	<u>1,312,104</u>
Non-Operating Revenues & Expenses		
Gain (Loss) on sale of equipment	63,508	12,500
Interest income	0	1
Investment income (loss)	(7,252)	211,350
Interest expense	<u>(489,381)</u>	<u>(517,833)</u>
Total Non-Operating Revenues & Expenses	<u>(433,125)</u>	<u>(293,982)</u>
Change in Net Position	<u>143,934</u>	<u>1,018,122</u>
Net Position - Beginning	<u>19,775,383</u>	<u>18,757,261</u>
Net Position - Ending	<u>\$ 19,919,316</u>	<u>\$ 19,775,383</u>

The accompanying notes and auditors' report are an integral part of these statements.

Southern Idaho Regional Solid Waste District

Statements of Cash Flows
For Years Ended September 30,

	2021	2020
Cash Flows from Operating Activities		
Cash received from member counties	\$ 8,250,349	\$ 10,935,080
Cash received from other sources	2,214,659	2,395,910
Cash paid to employees	(3,456,829)	(3,289,004)
Cash paid for retirement and payroll taxes	(675,112)	(642,540)
Cash paid to suppliers	(3,362,085)	(6,201,504)
Net Cash Provided by Operating Activities	2,970,983	3,197,941
Cash Flows from Financing Activities		
Interest received	0	1
Investment Income (Loss)	(7,252)	211,350
Proceeds from sale of fixed assets	63,508	12,500
Payments on Capital Lease	(177,869)	(118,519)
Payments on equipment loans	(274,453)	(433,001)
Interest paid	(492,674)	(521,693)
Net Cash Provided (Used) by Financing Activities	(888,740)	(849,362)
Cash Flows from Investing Activities		
Reinvestment of Investment income	7,252	(211,350)
Investments purchased	(2,486,598)	(1,409,758)
Investments matured	2,501,053	450,000
Fixed assets purchased	(543,291)	(996,264)
Net Cash Provided (Used) by Investing Activities	(521,584)	(2,167,372)
Net Increase (Decrease) in Cash	1,560,659	181,207
Cash, October 1, 2020 & October 1, 2019	6,622,884	6,441,676
Cash, September 30, 2021 & September 30, 2020 (note B)	\$ 8,183,543	\$ 6,622,883
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income before contributions	\$ 577,059	\$ 1,312,104
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & Amortization	1,580,093	2,019,304
(Increase) decrease in accounts receivable	(343,224)	(1,037)
(Increase) decrease in prepaid expenses	(133,867)	(507,174)
Increase (decrease) in accounts payable	219,439	(31,562)
Increase (decrease) in accrued liabilities	250,740	36,937
Increase (decrease) in deferred revenues	80,925	(35,714)
Increase (decrease) in Pension Liabilities and related deferrals	(453,999)	405,082
Increase (decrease) in Closure Payable	1,193,817	0
Net Cash Provided by Operating Activities	\$ 2,970,983	\$ 3,197,941

The accompanying notes and auditors' report are an integral part of these statements.

Southern Idaho Regional Solid Waste District

Notes to Financial Statements September 30, 2021 & September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The accompanying financial statements of Southern Idaho Regional Solid Waste District have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board. A summary of the District's significant accounting policies are described below:

1. Reporting Entity

The general-purpose financial statements included herein present the statements of net position, statements of revenues and expenses and changes in net position, and statement of cash flows of the Southern Idaho Regional Solid Waste District. The scope of the reporting entity is intended to cover those funds under the direct jurisdiction of the Southern Idaho Regional Solid Waste District.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision about when to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only criterion for including a potential component unit with the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no other boards, councils, or component units for which the Southern Idaho Regional Solid Waste District exercises authority. The District is governed by a board made up of county commissioners, based on one commissioner for each county in the District.

2. Fund Accounting

The accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises when the intent of the government 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 (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

3. Revenue Recognition

The accrual basis of accounting is utilized. Under this method, revenues are recorded when earned. Expenses are recognized when the liability is incurred, and it is expected that the liability will be discharged by expending available financial resources of the District.

4. Use of Estimates

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

5. Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employee Retirement System of Idaho Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

6. Other Assets

Other assets include Net Pension Asset of \$73,794.

7. Deposits & Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturity dates within 3 months of fiscal year end and are highly liquid.

Investments are stated at fair value as determined by quoted market prices.

Southern Idaho Regional Solid Waste District

Notes to Financial Statements
September 30, 2021 & September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)

8. Receivables

Accounts receivable, as stated in the statement of net position, are considered collectible and accordingly an allowance for uncollectible accounts is not deemed necessary. Following is a summary of accounts receivable at September 30:

October to March Assessment

	2021	2020
Blaine	\$ 563,451	\$ 494,289
Twin Falls	624,152	519,561
Totals	1,187,603	1,013,850

Other Landfill Receivables

Gate receipts	364,342	201,326
Waste contract - Elko County	8,583	7,253
Waste contract - Idaho Power LFGGE	55,322	52,096
Waste contract - Power County	24,659	22,760
Totals	452,906	283,435
Total Accounts Receivable	\$ 1,640,509	\$ 1,297,285

9. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of over two year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets are included as part of the capitalized value of the assets constructed

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

Assets	Years
Buildings and Improvements	20-50
Machinery and Equipment	3-15
Landfill	40-60

10. Depreciation

Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation has been provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line basis.

11. Encumbrances

Encumbrance accounting methods have not been used in the preparation of these financial statements.

12. Budgets and budgetary accounting

The District adopts a budget annually at a regular Board of Directors meeting. Budgets are reviewed and revised throughout the fiscal year.

13 Operating vs. non-operating funds

The district's non-operating funds include interest income and changes in values of investments. The District's operating funds are everything else, including member county payments, gate receipts, and landfill gas energy income.

14 Inventory

Inventories are stated at cost or market and are valued using the first-in, first out ("FIFO") method.

Southern Idaho Regional Solid Waste District

Notes to Financial Statements
September 30, 2021 & September 30, 2020

NOTE A - SUMMARY OF ACCOUNTING POLICIES (continued)

15 Net Position

The statement of net position reports all financial and capital resources. Net position represents total assets and deferred outflows of resources less total liabilities and deferred inflow of resources. There are three components of net position.

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent, related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are no net positions restricted by enabling legislation.

Unrestricted - This component of net position consists of net position that do not meet the definition of net investment in capital assets or restricted.

NOTE B - CASH ON HAND, DEPOSITS, AND INVESTMENTS

Cash on hand represents authorized petty cash funds for current operation purposes. The carrying amount as of September 30, 2021 was \$2,135.

As of September 30, 2021, the carrying amount of deposits was \$13,806,191 and the bank balance was \$13,806,206. The difference between deposit amounts and bank balance was attributable to outstanding checks and deposits.

	Unrestricted	Restricted	Total
Cash on Hand (Petty cash)	\$ 2,135	\$ -	\$ 2,135
Short-term investments - 3 mos.	5,860,210	2,321,198	8,181,408
Total Cash & cash equivalents	<u>5,862,345</u>	<u>2,321,198</u>	<u>8,183,543</u>
Short-term investments	125,727	4,656,444	4,782,171
Long-term investments	-	842,612	842,612
Total Investments	<u>125,727</u>	<u>5,499,056</u>	<u>5,624,783</u>
Total District's cash and investment balance	<u>\$ 5,988,072</u>	<u>\$ 7,820,254</u>	<u>\$ 13,808,326</u>

Cash on hand represents authorized petty cash funds for current operation purposes. The carrying amount as of September 30, 2020 was \$2,135.

As of September 30, 2020, the carrying amount of deposits was \$12,267,254 and the bank balance was \$12,564,352. The difference between deposit amounts and bank balance was attributable to outstanding checks and deposits.

	Unrestricted	Restricted	Total
Cash on Hand (Petty cash)	\$ 2,135	\$ -	\$ 2,135
Short-term investments - 3 mos.	5,153,343	1,467,405	6,620,748
Total Cash & cash equivalents	<u>5,155,478</u>	<u>1,467,405</u>	<u>6,622,883</u>
Short-term investments	199,996	2,569,896	2,769,892
Long-term investments	-	2,876,614	2,876,614
Total Investments	<u>199,996</u>	<u>5,446,510</u>	<u>5,646,506</u>
Total District's cash and investment balance	<u>\$ 5,355,474</u>	<u>\$ 6,913,915</u>	<u>\$ 12,269,389</u>

Custodial Credit Risk - Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be recovered. The District's deposit policy for custodial credit risk is to have interest bearing checking accounts and certificate of deposits in federally insured banks and savings and loans to not exceed federally insured amounts per institution.

As of September 30, 2021 the District's cash bank balance was \$13,754,249 of which \$10,720,938 was subject to custodial credit risk.

As of September 30, 2020 the District's cash bank balance was \$12,564,652 of which \$8,261,829 was subject to custodial credit risk.

Southern Idaho Regional Solid Waste District

Notes to Financial Statements

September 30, 2021 & September 30, 2020

NOTE B - CASH ON HAND, DEPOSITS, AND INVESTMENTS (continued)

	2021	2020
Deposits insured by FDIC	\$ 3,087,391	\$ 4,007,560
Uninsured & uncollateralized investments:		
Cash, checking, & savings	4,912,893	4,477,963
Certificate of deposits	390	9,579
Money markets	989,512	954,583
Mutual funds	-	311,117
U.S. government issues	2,868,517	2,109,091
U.S. treasury bill	1,949,626	399,496
Total uninsured & uncollateralized	10,720,938	8,261,829
Bank value of deposits	\$ 13,808,326	\$ 12,269,389

Cash Restricted for Acquisition, Closure & Construction

The District has cash reserves at year end set aside for future projects, closure and post-closure care, and contingencies.

	2021	2020
Next cell reserve	\$ 2,703,674	\$ 2,484,882
Equipment reserve	1,953,845	1,512,267
General reserve	315,071	315,822
Land trust reserve	118,630	89,671
Post-closure reserve	2,729,047	2,511,273
LFGE Escrow	-	-
Totals	\$ 7,820,266	\$ 6,913,915

INVESTMENTS

District's investment policy authorizes the District to invest in obligations of the United States, obligations of the state or any taxing district in the state, obligations issued by Farm Credit System, obligations of public corporations of the state of Idaho, repurchase agreements, tax anticipation notes of the state or any taxing district in the state, time deposits, savings deposits, revenue bonds of institutions of higher education, and the state treasurer's pool.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. To address custodial credit risk, the District's policy is to invest in investments, which are rated in the highest tier by a nationally recognized rating agency.

Concentration of Credit Risk

The District's investment policy does not allow for more than 10% at cost of the investment pool be in the securities of any one issuer with the exception of obligations of the U.S. Government, its Agencies and instrumentalities, repurchase agreements collateralized by obligations of the U.S. Government, its Agencies and instrumentalities and federally-insured certificate of deposits. The District held investments only in U.S. government issues, corporate issues or certificate of deposits, mutual funds, & money markets that meet the exception, during the year.

As of September 30, 2021 the percent of portfolio investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Percent of Portfolio Investments</u>
Fannie Mae	\$ 250,083	AA + & AAA	8.7%
Federal Home Loan Corp.	101,169	AA + & AAA	3.5%
U S Treasury Bonds	53,576	AAA	1.9%
U S Treasury	2,463,702	AAA	85.9%
	\$ 2,868,530		

Southern Idaho Regional Solid Waste District

Notes to Financial Statements
September 30, 2021 & September 30, 2020

NOTE B - CASH ON HAND, DEPOSITS, AND INVESTMENTS (continued)

As of September 30, 2020 the percent of portfolio investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Percent of Portfolio Investments</u>
Federal Home Loan Bank	\$ 101,787	AA + & AAA	4.8%
Federal Farm Credit Bank	100,865	AA + & AAA	4.8%
Federal Home Loan Corp.	153,865	AA + & AAA	7.3%
U S Treasury Bonds	57,150	AAA	2.7%
U S Treasury	1,695,423	AAA	80.4%
	<u>\$ 2,109,090</u>		

Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. In accordance with investment policy, the District manages its exposure to declines in fair value by investing in securities with maturities that are consistent with needs and use of the District.

As of September 30, 2021 the District investments have the following maturities:

<u>Investment Type</u>	<u>Investment Maturities</u>					
	<u>Fair Value</u>	<u>Less than 3 months</u>	<u>3 months 1 year</u>	<u>1 - 5 Years</u>	<u>6 - 10 years</u>	<u>Greater than 10 Years</u>
Certificates of Deposits	\$ 2,837,781	\$ 100,017	\$ 2,300,773	\$ 436,991	\$ -	\$ -
U.S. Government Issues	2,868,517	906,174	1,556,723	405,621	-	-
Money Market	797,823	797,823	-	-	-	-
Mutual Fund	-	-	-	-	-	-
TOTALS	\$ 6,504,121	\$ 1,804,014	\$ 3,857,496	\$ 842,612	\$ -	\$ -

As of September 30, 2020 the District investments have the following maturities:

<u>Investment Type</u>	<u>Investment Maturities</u>					
	<u>Fair Value</u>	<u>Less than 3 months</u>	<u>3 months 1 year</u>	<u>1 - 5 Years</u>	<u>6 - 10 years</u>	<u>Greater than 10 Years</u>
Certificates of Deposits	\$ 3,791,026	\$ 400,322	\$ 1,568,097	\$ 1,822,607	\$ -	\$ -
U.S. Government Issues	2,109,091	252,784	802,299	1,054,007	-	-
Money Market	954,583	954,583	-	-	-	-
Mutual Fund	311,117	311,117	-	-	-	-
TOTALS	\$ 7,165,817	\$ 1,918,806	\$ 2,370,396	\$ 2,876,614	\$ -	\$ -

NOTE C - INVENTORY & OTHER CURRENT ASSETS

Inventory

Inventory consists of fuel, scrap metal, gravel & sand. Inventory utilizes first in, first out ("FIFO") method. Fuel is carried at cost. Scrap metal is carried at fair market value due to scrap metal being obtained from waste. Scrap metal value comes from all of the metal being sold by December 2021. Gravel is carried at cost based off gravel agreement.

A summary of inventory & other current assets as of September 30, 2021 and September 30, 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Prepaid gravel	\$ -	\$ 17,640
Prepaid workman's compensation	9,643	12,502
Fuel inventory	81,296	59,693
Scrap metal inventory	104,928	351,652
Gravel inventory	846,563	481,762
Sand inventory	14,686	-
Totals	\$ 1,057,116	\$ 923,249

Southern Idaho Regional Solid Waste District

Notes to Financial Statements
September 30, 2021 & September 30, 2020

NOTE D - PROPERTY, PLANT & EQUIPMENT

A summary of changes in property, plant, and equipment at cost or fair market value, if donated, follows:

	Sept. 30, 2020	Additions	Deletions	Sept. 30, 2021
Land & water rights	\$ 757,413	\$ -	\$ -	\$ 757,413
Building & improvements	17,801,581	29,794	-	17,831,375
Vehicles & equipment	15,979,327	287,353	135,861	16,130,819
Capital lease assets	7,168,375	226,144	-	7,394,519
Totals	\$ 41,706,696	\$ 543,291	\$ 135,861	\$ 42,114,126
			Accumulated Depreciation	(22,815,673)
			Total Property, Plant & Equipment (Net)	\$ 19,298,453
	Sept. 30, 2019	Additions	Deletions	Sept. 30, 2020
Land & water rights	\$ 757,413	\$ -	\$ -	\$ 757,413
Building & improvements	17,672,017	129,564	-	17,801,581
Vehicles & equipment	15,236,331	818,763	75,767	15,979,327
Capital lease assets	7,120,438	47,937	-	7,168,375
Totals	\$ 40,786,199	\$ 996,264	\$ 75,767	41,706,696
			Accumulated Depreciation	(21,371,441)
			Total Property, Plant & Equipment (Net)	\$ 20,335,255

Fixed asset acquisitions for the year ended September 30, 2021 included:

	2021
Apex Storage Container - Jerome	\$ 8,000
Landfill Expansion & Engineering	4,295
Pressure Washer	7,474
500 Gallon Fuel Tank	4,051
Welder	6,002
Freon Recovery Unit	6,360
Honda 7000-W Generator	4,599
2008 F550 Pickup	10,000
2021 F 550 Pickup	44,811
2021 Ford F150	26,508
Paint F550 Pickup	6,288
2 - 70T 8x8 Trucks	20,000
PTO for Service Truck	4,301
Wash Pad	17,499
2021 Cat 920 Loader	146,959
3rd Engine Work in Progress	226,144
Total	\$ 543,291

NOTE E - ACCRUED LIABILITIES

A summary of accrued liabilities as of September 30, 2021 and September 30, 2020 is as follows:

	2021	2020
Accrued payroll	\$ 425,337	\$ 198,318
Accrued vacation	180,830	157,830
Interest payable	22,000	25,294
Medical insurance payable	8,949	8,228
Totals	\$ 637,116	\$ 389,670

Southern Idaho Regional Solid Waste District

Notes to Financial Statements
September 30, 2021 & September 30, 2020

NOTE F - DEFERRED COUNTY REVENUES

The following counties were billed for their October assessment in the preceding year by Southern Idaho Regional Solid Waste District:

	2021	2020
Blaine	\$ 563,451	\$ 494,289
Cassia	302,046	328,042
Gooding	322,929	336,475
Jerome	452,252	476,427
Lincoln	119,640	125,407
Minidoka	381,047	404,388
Twin Falls	624,152	519,562
Totals	<u>\$ 2,765,515</u>	<u>\$ 2,684,590</u>

NOTE G - LOANS PAYABLE

	2021	2020
Municipal Asset Management, secured by a compactor and a GPS unit, with net book values of \$501,857, payable in semi-annual installments of \$68,360 including interest at 2.44%. The obligation is due April 27, 2022.	147,934	292,323
Municipal Asset Management, secured by a roll-off truck, 4 refuse trailers, and 5 semi-tractors, with net book values of \$907,534, payable in semi-annual installments of \$71,226 including interest at 2.82%. The obligation is due November 15, 2023.	341,548	471,612
Total Loans Payable	<u>489,482</u>	<u>763,935</u>
Less: Current Portion	<u>(281,691)</u>	<u>(274,453)</u>
Net Long-Term Debt	<u>\$ 207,791</u>	<u>\$ 489,482</u>

The District is obligated on the following long-term debts as of September 30, 2021:

	Beg. Bal.	Additions	Reductions	Ending Balance	Due within one year
Municipal Asset Management 2	471,612	-	130,063	341,549	133,757
Municipal Asset Management 3	292,323	-	144,389	147,934	147,934
	<u>\$ 763,935</u>	<u>\$ -</u>	<u>\$ 274,453</u>	<u>\$ 489,482</u>	<u>\$ 281,691</u>

The District is obligated on the following long-term debts as of September 30, 2020:

	Beg. Bal.	Additions	Reductions	Ending Balance	Due within one year
Sun Trust 2	74,924	-	74,924	-	-
Municipal Asset Management 1	90,676	-	90,676	-	-
Municipal Asset Management 2	598,083	-	126,471	471,612	130,063
Municipal Asset Management 3	433,253	-	140,930	292,323	144,389
	<u>\$ 1,196,936</u>	<u>\$ -</u>	<u>\$ 433,001</u>	<u>\$ 763,935</u>	<u>\$ 274,453</u>

Following are maturities of long-term debt for each of the next five years as of September 30,

	2021	2020
September 30, 2021	-	274,453
September 30, 2022	281,691	281,691
September 30, 2023	137,556	137,555
September 30, 2024	70,236	70,236
September 30, 2025 and after	-	-
Totals	<u>\$ 489,482</u>	<u>\$ 763,935</u>

Southern Idaho Regional Solid Waste District

Notes to Financial Statements September 30, 2021 & September 30, 2020

NOTE H - CAPITAL LEASE PAYABLE

On March 17, 2017 CAFCo Idaho Refuse Management, LLC (CAFCo) and the Southern Idaho Regional Solid Waste District (District) entered into a capital lease agreement in the aggregate principal amount of \$8,000,000. The proceeds of the capital lease are being used to construct a landfill gas to energy project. Simultaneously CAFCo exercised its right to purchase and the District entered into a lease agreement for the use of the landfill gas to energy facilities. Beginning on June 17, 2017, the District is obligated to pay quarterly lease payments of various amounts. Unless the District affirmatively acts in a board meeting to renew and extend for another year, the appropriated lease will expire at the end of the current fiscal year (September 30th.) If not renewed and extended, the District has no further obligation or exposure to penalty or recourse, except that it surrenders possession of the project.

The lease expired on June 17, 2021 but was renewed for a one-year term, ending June 17, 2022. The lease may be renewed for a total of fifteen consecutive one-year terms commencing June 18 and ending June 17, expiring June, 2033. The District also has an option to purchase after the purchase option commencement date of March 1, 2027. The lease agreement qualifies as a capital lease for accounting purposes, therefore, has been recorded at the present value of its anticipated future minimum lease payments as of the inception date.

The future anticipated minimum lease payments are as follows:

2022	650,000
2023	725,000
2024	975,000
2025	1,175,000
2026 and after	<u>7,022,862</u>
Total Minimum Lease Payments	\$ 10,547,862
Less: Amount Representing Interest	<u>\$ (2,981,377)</u>
Obligations Under Capital Leases	<u>\$ 7,566,485</u>

Building, and equipment under capital leases in capital assets at September 30, include the following.

	2021	2020
Building	\$ 3,503,198	\$ 3,503,198
Equipment	3,730,605	\$ 3,730,604
Less: Accumulated Depreciation & Amortization	<u>(1,984,000)</u>	<u>(1,417,143)</u>
Total	<u>\$ 5,249,803</u>	<u>\$ 5,816,659</u>

NOTE I - CLOSURE & POST-CLOSURE CARE COSTS

State and federal laws and regulations require that the District place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and post-closure care costs is \$1,636,539. This amount is based on what it would cost to perform all closure and postclosure care in 2021. Management has decided to close the landfill in increments. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The District is required by state and federal laws to make annual contributions to finance closure and post-closure care. According to the 2020 Financial Assurance Plan the District should have \$2,830,356 in the fund as of September 30, 2021. The District is not compliance with these requirements, however, by December 31, 2021, the District is in compliance with these requirements. At September 30, 2021, investments of \$2,729,047 (\$2,729,047 market value) are held for these purposes. These investments are held and managed by a third-party trustee and are presented as "Landfill Closure and Post-Closure Reserves". It is anticipated that future inflation costs will be financed in part from earnings on investments held by the trustee. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users.

Management estimates the percentage of landfill used to date is 37% and the estimated remaining landfill life is 70 years.

NOTE J - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Southern Idaho Regional Solid Waste District

Notes to Financial Statements September 30, 2021 & September 30, 2020

NOTE K - SUBSEQUENT EVENTS

For these financial statements, the District evaluated subsequent events through January 22, 2022, the day the financial statements were issued.

NOTE L - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omission; employee injuries, natural disaster, and employee health. Except for employee health, which is partially insured, risks of loss are insured by the purchase of commercial insurance through participation in the Idaho Counties Risk Management Program (ICRMP). ICRMP is an insurance pool serving public entities in Idaho through provision of property, general liability, auto liability, physical damage, and public officials' insurance. Under the terms of the ICRMP policy, the District's liability is limited to the amount of annual financial membership contributions plus deductible. The District pays semi-annual premiums to ICRMP for insurance coverage.

NOTE M - DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by Public Employee Retirement System of Idaho (PERSI or System) that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan. PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Responsibility for administration of the Base Plan is assigned to the Board comprised of five members appointed by the Governor and confirmed by the Idaho Senate. State law requires that two members of the Board be active Base Plan members with at least ten years of service and three members who are Idaho citizens not members of the Base Plan except by reason of having served on the Board.

Pension Benefits

The Base Plan provides retirement, disability, death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age, and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (5 months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2.0% (2.3% for police/firefighters) of the average monthly salary for the highest consecutive 42 months.

The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.

Member and Employer Contributions

Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation and earnings from investments. Contribution rates are determined by the PERSI Board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) if current rates are actuarially determined to be inadequate or in excess to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate. As of June 30, 2021 it was 7.16 percent. The employer contribution rate is set by the Retirement Board and as of June 30, 2021 was 11.94 percent of covered compensation. The District contributions required and paid were \$421,576.69 for the year ended September 30, 2021.

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

At September 30, 2021 the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in the Base Plan pension plan relative to the total contributions of all participating PERSI employers. At June 30, 2021, the District's proportion was .0009343679 percent.

Southern Idaho Regional Solid Waste District

Notes to Financial Statements
September 30, 2021 & September 30, 2020

NOTE M- DEFINED BENEFIT PENSION PLAN (continued)

For the year ended September 30, 2021, the District recognized pension expense (revenue) of \$421,576.64. At September 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 108,726	
Changes in assumptions or other inputs	847,065	
Net difference between projected and actual earnings on pension plan investments		2,317,827
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		42,894
Employer contributions made subsequent to the measurement date	107,279	-
Total as of September 30, 2021	\$ 1,063,070	\$ 2,360,721
	Deferred Outflow of Resources	Deferred Inflow of Resources
Employer contributions made subsequent to the measurement date of June 30, 2020	\$ 102,042	\$ -
Differences between expected and actual experience	168,975	
Changes in assumptions or other inputs	36,576	
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions		70,619
Net difference between projected and actual earnings on pension plan investments	247,889	-
Total as of September 30, 2020	\$ 555,482	\$ 70,619

\$107,279 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2021.

The average of the expected remaining service lives of all employees that are provided with pensions through the System (active and inactive employees) determined at July 1, 2021 the beginning of the measurement period ended June 30, 2020 is 4.7 and 4.6 for the measurement period June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenues) as follows:

Year Ended September 30,

2022	\$	330,487
2023		297,836
2024		260,275
2025		516,333
2026		-

Actuarial Assumptions

Valuations are based upon actuarial assumptions, benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period permitted under *Idaho Code* is 25 years.

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%	
Salary increase including inflation	3.05%	
Salary inflation	3.05%	
Investment return	6.35% net of investment expenses	
Cost of living adjustments	1.00%	

Southern Idaho Regional Solid Waste District

Notes to Financial Statements
September 30, 2021 & September 30, 2020

NOTE M- DEFINED BENEFIT PENSION PLAN (continued)

Contributing Member, Service Retirement Members, and Beneficiaries

- General Employees and All Beneficiaries - Males Pub 2010 General Tables, increased 11%.
- General Employees and All Beneficiaries - Females Pub 2010 General Tables, increased 21%.
- Teachers - Males Pub-2010 Teacher Tables, increased 12%.
- Teachers - Female Pub-2010 Teacher Tables, increased 21%.
- Fire & Police - Males Pub-2010 Safety Tables, increased 21%.
- Fire & Police - Females Pub-2010 Safety Tables, increased 26%.
- Disabled Members - Males Pub-2010 Disabled Tables, increased 38%.
- Disabled Members - Females Pub-2010 Disabled Tables, increased 36%.

An experience study was performed for the period July 1, 2013 through June 30, 2017 which reviewed all economic and demographic assumptions other than mortality. The Total Pension Liability as of June 30, 2021 is based on the results of an actuarial valuation date of July 1, 2021.

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the latest capital market assumptions. Specifically, the System uses consultants, investment managers and trustees to develop capital market assumptions in analyzing the System's asset allocation. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is somewhat more conservative than the current allocation of System's assets.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of 2021.

Capital Market Assumptions from Callan 2021

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return (Arithmetic)	Long-Term Expected Real Rate of Return (Arithmetic)
Core Fixed Income	30.00%	1.80%	-0.20%
Broad US Equities	55.00%	8.00%	6.00%
Developed Foreign Equities	15.00%	8.25%	6.25%
Assumed Inflation - Mean		2.00%	2.00%
Assumed Inflation - Standard Deviation		1.50%	1.50%
Portfolio Arithmetic Mean Return		6.18%	4.18%
Portfolio Standard Deviation		12.29%	12.29%
Portfolio Long-Term (Geometric) Expected Rate of Return		5.50%	3.46%
Assumed Investment Expenses		0.40%	0.40%
Portfolio Long-Term (Geometric) Expected Rate of Return, Net of Investment Expenses		5.15%	3.06%

Discount Rate

The discount rate used to measure the total pension liability was 7.05%. 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. Based on these assumptions, the pension plans' net position was projected to be available to make all projected future benefit payments of 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. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Southern Idaho Regional Solid Waste District

Notes to Financial Statements

September 30, 2021 & September 30, 2020

NOTE M- DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.35 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.35 percent) or 1-percentage-point higher (7.35 percent) than the current rate:

	1% Decrease (5.35%)	Current Discount Rate (6.35%)	1% Increase (7.35%)
Employer's proportionate share of the net pension liability (asset)	2,565,252	(73,794)	(2,237,074)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERSI financial report.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI. That report may be obtained on the PERSI website at www.persi.idaho.gov.

Payables to the pension plan

At September 30, 2021, the District reported no payables to the defined benefit pension plan for legally required employer contributions and nothing for legally required employee contributions which had been withheld from employee wages but not yet remitted to PERSI.

Required Supplemental Information

Southern Idaho Regional Solid Waste District

Required Supplementary Information

September 30, 2021

Schedule of Employer's Proportionate Share of the Net Pension Liability
PERSI-Base Plan
Last 10 - Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
Employer's portion of the net pension liability	0.000934368	0.000931351	0.000914015	0.000849742	0.000841972	0.000811049	0.00079758
Employer's proportionate share of the net pension liability/(asset)	(73,794)	2,162,720	1,043,323	1,253,384	1,323,435	1,652,732	1,050,280
Employer's covered-employee payroll ^	3,530,793	3,384,263	3,199,633	2,930,526	2,679,228	2,538,746	2,314,936
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	-2.09%	63.91%	32.61%	42.77%	49.40%	65.10%	45.37%
Plan fiduciary net position as a percentage of the total pension liability	100.36%	88.22%	93.79%	91.69%	90.68%	87.26%	91.38%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full year 10-year trend is compiled, the District will present information for those for which information is available.

^ For the fiscal year ended on the date shown.

Data reported is measured as of June 30, 2021 (PERSI Year End).

Southern Idaho Regional Solid Waste District

Required Supplementary Information
September 30, 2021

Schedule of Employer's Contributions PERSI - Base Plan Last 10 - Fiscal Years*	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	421,577	392,485	361,916	313,000	260,982	269,925	257,159
Contributions in relation to the statutorily required contribution	421,577	392,485	361,916	313,000	260,982	269,925	257,159
Contributions (deficiency) excess	-	-	-	-	-	-	-
Employer's covered-employee payroll ^	3,530,793	3,384,263	3,199,633	2,930,526	2,679,228	2,538,746	2,314,936
Contributions as a percentage of the covered-employee payroll	11.94%	11.60%	11.31%	10.68%	9.74%	10.63%	11.11%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

^ For the fiscal year ended on the date shown.

Data reported is measured as of September 30, 2021 (District Year End)

Supplemental Information

**Southern Idaho Regional Solid Waste District
Supplemental Information**

**Details of Statements of Revenue, Expenses and Changes in Net Position
For the Years Ended September 30,**

	2021	2020
Operating Revenues:		
County Revenue		
Owner county collections	\$ 8,343,177	8,625,121
Self-Charged Waste Haul Revenue	2,511,837	2,321,779
Self-Charged Roll-off truck revenue	87,162	76,166
Self-Charge Wood Grinding Revenue	92,487	93,633
Total County Revenue	11,034,663	11,116,699
Less Self-Charged Transportation Charges	(2,598,999)	(2,397,945)
Less Self-Charged Wood Grinding Charges	(92,487)	(93,633)
Net County Revenue	8,343,177	8,625,121
Cash receipts	874,462	\$ 913,073
Waste contracts	364,567	335,851
Recycling revenue	364,725	328,640
Landfill gas to energy income	711,896	586,665
Wood grinding	59,263	77,924
Miscellaneous income	9,218	8,887
Total Operating Revenues	\$ 10,727,307	\$ 10,876,162
Operating Expenses:		
Accounting & legal	\$ 15,514	\$ 13,698
Insurance	104,253	95,645
Employee medical insurance, unemployment, workers compensation	792,302	839,642
Operating supplies	300,626	243,127
Utilities	103,447	101,471
Engineering and gas monitoring	27,007	49,375
Landfill gas to energy expenses	485,003	441,449
Equipment operating costs	1,516,483	1,386,279
Salaries	3,706,847	3,327,875
Payroll taxes	262,556	250,055
PERSI	(41,444)	797,567
Tire recovery	81,692	2,146
Wood grinding	22,050	7,674
Depreciation and amortization	1,580,093	2,008,054
Closure Costs	1,193,817	0
Total Operating Expenses	\$ 10,150,249	\$ 9,564,057