ANNUAL
FINANCIAL REPORT

of the

NORTHEAST
NEBRASKA
SOLID WASTE
COALITION

for the fiscal years ended
September 30, 2022
and 2021

NORTHEAST NEBRASKA SOLID WASTE COALITION

ANNUAL FINANCIAL REPORT

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TABLE OF CONTENTS

NORTHEAST NEBRASKA
SOLID WASTE COALITION

List of Principal Officials
(Unaudited)
September 30, 2022

Title	Name	Representing	Population
Chairperson	Corey Granquist	City of Norfolk	24,955
Vice-Chairperson	Charlie Bahr	City of Columbus	24,028
Board member	Mark Jensen	City of Fremont	27,141
Board member	Ron Pfeifer	Platte County	7,521
Board member	Eric Stinson	Madison County	5,570
Board member	Dan Weddle	Dodge County	4,171
Board member	Duane Rehak	Stanton County	4,082
Board member	Rob Fite	City of Madison	2,283
Board member	Cliff Morrow	Burt County	2,012
Board member	Paul Poeschl	City of Stanton	1,520
Board member	Nathan Anderson	City of Oakland	1,369
Board member	Michael D Fleer	City of Battle Creek	1,194
Board member	Paul Cash	Village of Hooper	857
Board member	Josh Dahlberg	Village of Duncan	392
Board member	Randy Paczosa	Village of Silver Creek	320
Board member	Jerry Abrahamson	Village of Inglewood	380
Board member	Rick Tucker	Village of Nickerson	312
Board member	Dennis Wolverton	Village of Pilger	240
Board member	Joshua Koepke	Village of Hoskins	263
Board member	Dick Orent	Village of Uehling	241
Board member	Josh Anderson	Village of Meadow Grove	287
Board member	Todd Groteluschen	Village of Creston	206
Board member	Vacant	Village of Craig	202
Board member	Vacant	Village of Winslow	19
Board member	Gary Svitak	Maple Creek Precinct	
Treasurer	Randy Gates		
Secretary	Brianna Duerst		
		Total	109,565

FORV/S

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Independent Auditor's Report

Board of Directors
Northeast Nebraska Solid Waste Coalition
Norfolk, Nebraska

Report on the Financial Statements

Opinion

We have audited the financial statements of the Northeast Nebraska Solid Waste Coalition (the Coalition), as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Coalition's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Northeast Nebraska Solid Waste Coalition as of September 30, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition'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 Coalition'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 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Coalition's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coalition's internal control over financial reporting and compliance.

FORVIS, LLP

Lincoln, Nebraska
March 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of the Northeast Nebraska Solid Waste Coalition's (the Coalition) financial performance provides an overview of the Coalition's financial activities for the fiscal year ending September 30, 2022. We encourage readers to consider this information in conjunction with the Coalition's financial statements which follow.

FINANCIAL OPERATIONS SUMMARY

With revenues of $3,338,735 and expenses of $6,513,182, the Coalition's net position decreased $3,174,447 in fiscal year 2022 going from $12,695,496 to $9,521,049. Unrestricted net position decreased $1,974,181. Restricted net position decreased $828,821 and investment in capital assets decreased $371,445.

USING THIS ANNUAL REPORT

The Northeast Nebraska Solid Waste Coalition is a special purpose government presented as a single enterprise fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis is intended to serve as an introduction to the Coalition's basic financial statements. The annual report consists of a series of financial statements and other information as follows:

> Management Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Coalition's financial activities.
>
> The Statement of Net Position presents information on the Coalition's assets and liabilities, with the difference between them 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 Coalition is improving or deteriorating.
>
> The Statement of Revenues, Expenses, and Changes in Net Position is the basic statement of activities for proprietary funds. This statement presents information on the Coalition's operating revenues and expenses, non-operating revenues and expenses and whether the Coalition's financial position has improved or deteriorated as a result of the year's activities.
>
> The Statement of Cash Flows presents the change in the Coalition's cash and cash equivalents during the year. This information can assist the user of the report in determining how the Coalition financed its activities and how it met its cash requirements.
>
> The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Coalition's financial position. The Coalition's net position for fiscal year 2022 totaled $9,521,049. This compares to $12,695,496 for fiscal year 2021. A summary of the Coalition's net position is presented below.

	September 30		Increase	
	2022	2021	(Decrease)	% change
Current assets	$ 8,672,384	$ 7,586,037	$ 1,086,347	14.3%
Restricted assets	9,347,815	12,138,285	(2,790,470)	(23.0%)
Net property, buildings, and equipment	4,119,081	4,448,459	(329,378)	(7.4%)
Total assets	22,139,280	24,172,781	(2,033,501)	(8.4%)
Current liabilities	232,520	167,821	64,699	38.6%
Noncurrent liabilities	12,385,711	11,309,464	1,076,247	9.5%
Total liabilities	12,618,231	11,477,285	1,140,946	9.9%
Net investment in capital assets	4,077,014	4,448,459	(371,445)	(8.3%)
Restricted net position	-	828,821	(828,821)	(100.0%)
Unrestricted net position	5,444,035	7,418,216	(1,974,181)	(26.6%)
Total net position	$ 9,521,049	$12,695,496	$ (3,174,447)	(25.0%)

The increase in current assets of $1,086,347 is primarily due to an increase in cash and investments. Cash and investments went from approximately $7.29 million last year to $8.37 million this year. This $1.08 million increase is a result of cash provided from operations.

Restricted assets decreased $2,790,470 or 23% due to a decrease in cash and investments held for closure/postclosure care costs. The rise in interest rates on long-term treasuries caused a decrease in fair market value of investments held for closure/postclosure care costs. This was partially offset by the Coalition's current year funding of closure/postclosure care costs of $393,013 and interest on investments.

Net property, buildings, and equipment decreased $329,378 due to normal depreciation of assets, which was partially offset by the addition of construction in progress for design of cell 6 of the landfill. Net investment in capital assets decreased $371,445 primarily as a result of depreciation expense.

Current liabilities increased $64,699 or 38.6% primarily due to payables related to design of cell 6 of the landfill at the end of the current year.

Restricted net position decreased $828,821 due to the decrease in fair market value of investments held for closure/postclosure care costs and the increase in accrued closure/postclosure care costs. This also caused unrestricted net position to decrease $1,974,181 going from $7,418,216 last year to $5,444,035.

Statement of Revenues, Expenses and Changes in Net Position

Operating revenues consist of tipping fees for disposal of waste at the Coalition's landfill in Stanton County. Coalition waste is primarily received from transfer stations of member communities. The Coalition's tipping fee remained at $24 per ton in the current year. Tonnage increased 5,516 tons in the current year going from 119,160 tons to 124,676 tons, which increased user charges $87,593 or 3.1% in the current year.

The Coalition hired Waste Connections to perform day-to-day landfill operations. Payments to Waste Connections are included in disposal fees. The scale operators at the landfill are Coalition employees. Payroll and related taxes and benefits on the operating statement are for wages and fringe benefits paid to these two employees. The utilization of capital assets is reflected in the financial statements as depreciation which allocates the cost of an asset over its expected useful life. Nonoperating revenue consists of interest income and any increase in the fair value of investments. Nonoperating expense is any decrease in fair value of investments. A summary of revenue, expenses and changes in net position for the fiscal years ended 2022 and 2021 follows:

	September 30		Increase	
	2022	2021	(Decrease)	% change
Operating revenues:				
User charges	$ 2,951,456	$ 2,863,863	$ 87,593	3.1%
Total operating revenues	2,951,456	2,863,863	87,593	3.1%
Operating expenses:				
Payroll and related taxes and benefits	95,859	95,319	540	0.6%
Disposal fees	1,155,287	1,096,851	58,436	5.3%
Repairs and maintenance	10,397	6,237	4,160	66.7%
General and administration	276,659	425,364	(148,705)	(35.0%)
Closure/postclosure costs	1,076,247	686,567	389,680	56.8%
Depreciation	378,854	364,535	14,319	3.9%
Total operating expenses	2,993,303	2,674,873	318,430	11.9%
Operating income (loss)	(41,847)	188,990	(230,837)	(122.1%)
Nonoperating revenue (expense):				
Net increase (decrease) in the fair value of investments	(3,519,879)	(1,585,206)	(1,934,673)	122.0%
Investment income	387,279	347,807	39,472	11.3%
Total nonoperating revenue (expense)	(3,132,600)	(1,237,399)	(1,895,201)	153.2%
Change in net position	(3,174,447)	(1,048,409)	(2,126,038)	202.8%
Net position, beginning of year	12,695,496	13,743,905	(1,048,409)	(7.6%)
Net position, end of year	$ 9,521,049	$12,695,496	$ (3,174,447)	(25.0%)

Disposal fees increased $58,436 or 5.3%, which corresponds with the increase in tonnage received during the current year. Closure/postclosure costs increased $389,680 going from $686,567 last year to $1,076,247 this year due to current year use of the landfill and an increase in estimated costs as a result of inflation. Repairs and maintenance increased $4,160 going from $6,237 last year to $10,397 this year primarily due to maintenance on the landfill pickup. General and administration decreased $148,705 or 35% primarily due to consultant fees for the landfill master plan in the prior year.

Net decrease in fair value of investments was $3,519,879 this year compared to a net decrease of $1,585,206 last year. These decreases were driven by increases in interest rates on long-term treasuries which increased both years, but more in the current year. Investment income increased $39,472 or 11.3% due to increasing short-term interest rates.

CAPITAL ASSETS

On September 30, 2022, the Coalition had approximately $4.12 million invested in capital assets, net of accumulated depreciation of approximately $8.03 million. Most of the Coalition's assets consist of landfill cells. The Coalition owns 160 acres of land on which the landfill is sited with land and related costs totaling approximately $1.2 million. The Coalition also has a maintenance building and scale house totaling approximately $465,000. Depreciation charges for the year were $378,854. See Note 5 in the financial statements for more information on the Coalition's capital assets.

CONTACTING THE COALITION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, creditors, and members with a general overview of the Coalition's finances and to demonstrate the Coalition's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Coalition's Finance Department at (402) 844-2000.

NORTHEAST NEBRASKA SOLID WASTE COALITION

STATEMENTS OF NET POSITION

September 30, 2022 and 2021

ASSETS	2022	2021
Current assets:		
Cash and cash equivalents	$ 5,389,585	$ 4,753,369
Investments	2,982,762	2,540,098
Receivables:		
Accounts	279,229	268,267
Interest	20,808	24,303
Total current assets	8,672,384	7,586,037
Restricted Assets:		
Cash and investments held for closure/postclosure costs	9,347,815	12,138,285
Total restricted assets	9,347,815	12,138,285
Property, Buildings, and Equipment:		
Land	1,218,051	1,218,051
Buildings and improvements	10,852,287	10,852,287
Equipment	26,154	26,154
Construction in progress	49,476	-
Total property, buildings, and equipment	12,145,968	12,096,492
Less accumulated depreciation	8,026,887	7,648,033
Total property, buildings, and equipment net of accumulated depreciation	4,119,081	4,448,459
Total assets	$ 22,139,280	$ 24,172,781

The accompanying notes are an integral part of the financial statements

NORTHEAST NEBRASKA SOLID WASTE COALITION

STATEMENTS OF NET POSITION-CONTINUED

September 30, 2022 and 2021

LIABILITIES AND NET POSITION	2022	2021
Current liabilites:		
Accounts and contracts payable	$ 215,682	$ 153,011
Payroll liabilities	16,838	14,810
Total current liabilities	232,520	167,821
Noncurrent liabilities (Net of current portion):		
Accrued closure/postclosure costs (payable from restricted assets)	12,385,711	11,309,464
Total noncurrent liabilities	12,385,711	11,309,464
Total liabilities	12,618,231	11,477,285
Net position:		
Net investment in capital assets	4,077,014	4,448,459
Restricted for closure/postclosure costs	-	828,821
Unrestricted	5,444,035	7,418,216
Total net position	9,521,049	12,695,496
Total liabilities and net position	$ 22,139,280	$ 24,172,781

The accompanying notes are an integral part of the financial statements

EXHIBIT 2

NORTHEAST NEBRASKA SOLID WASTE COALITION

STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

for fiscal years ended September 30, 2022 and 2021

	2022	2021
Operating revenues:		
User charges	$ 2,951,456	$ 2,863,863
Total operating revenues	2,951,456	2,863,863
Operating expenses:		
Payroll and related taxes and benefits	95,859	95,319
Disposal fees	1,155,287	1,096,851
Repairs and maintenance	10,397	6,237
General and administration	276,659	425,364
Closure/postclosure costs	1,076,247	686,567
Depreciation	378,854	364,535
Total operating expenses	2,993,303	2,674,873
Operating Income (Loss)	(41,847)	188,990
Nonoperating revenue (expense):		
Net increase (decrease) in the fair value of investments	(3,519,879)	(1,585,206)
Investment income	387,279	347,807
Total nonoperating revenue (expense)	(3,132,600)	(1,237,399)
Change in net position	(3,174,447)	(1,048,409)
Net position, beginning of year	12,695,496	13,743,905
Net position, end of year	$ 9,521,049	$ 12,695,496

The accompanying notes are an integral part of the financial statements

EXHIBIT 3

NORTHEAST NEBRASKA SOLID WASTE COALITION

STATEMENTS OF CASH FLOWS

for the fiscal years ended September 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received from customers	2,940,494	$ 2,914,797
Cash paid to suppliers for goods and services	(1,421,740)	(1,565,123)
Cash paid to employees for services	(93,831)	(92,371)
Net cash provided by operating activities	1,424,923	1,257,303
Cash flows for capital and related financing activities:		
Acquisition and construction of capital assets	(7,409)	(38,620)
Net cash (used for) capital and related financing activities	(7,409)	(38,620)
Cash flows from investing activities		
Restricted investment purchased	(439,410)	(410,677)
Purchase of investments held for operating	(2,962,402)	(40,098)
Proceeds from sale of investments held for operating	2,540,098	1,000,000
Interest received	85,015	98,966
Change in operating investments purchased		
Net cash provided by (used for) investing activities	(776,699)	648,191
Net increase in cash and cash equivalents	640,815	1,866,874
Cash and cash equivalents - beginning of year	4,778,360	2,911,486
Cash and cash equivalents - end of year	$ 5,419,175	$ 4,778,360
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$ (41,847)	$ 188,990
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	378,854	364,535
Closure/postclosure costs	1,076,247	686,567
Changes in assets and liabilities		
(Increase) decrease accounts receivable	(10,962)	50,934
Increase (decrease) accounts payable	20,603	(36,671)
Increase payroll liabilities	2,028	2,948
Total Adjustments	1,466,770	1,068,313
Net cash provided by operating activities	$ 1,424,923	$ 1,257,303
Supplemental Schedule of Noncash Investing, Capital and Financing Activities		
Net increase (decrease) in the fair value of investments	$ (3,519,879)	$ (1,585,206)
Accounts payable exchanged for capital assets	42,067	-
Total noncash investing, capital and financing activities	$ (3,477,812)	$ (1,585,206)
Reconciliation of cash and cash equivalents to the statement of net position:		
Cash & cash equivalents	$ 5,389,585	$ 4,753,369
Cash held for closure/post closure costs	29,590	24,991
	$ 5,419,175	$ 4,778,360

The accompanying notes are an integral part of the financial statements

1. Summary of Significant Accounting Policies:

The following is a summary of significant accounting policies followed in the preparation of these financial statements.

A. Reporting Entity and Nature of Operations:

The Northeast Nebraska Solid Waste Coalition (the Coalition) is a joint venture composed of twenty-four cities and counties in Northeast Nebraska formed pursuant to the Nebraska Interlocal Cooperation Act for the purpose of providing solid waste management to their respective entities by the means of creating, building, and operating a solid waste disposal facility, more commonly referred to as a landfill. The Coalition's Board is composed of a member from each of the participating cities and counties. None of the participating entities have an equity interest in the Coalition. The Coalition commenced operations October 30, 1995.

B. Basis of Accounting:

The Coalition's financial statements are prepared using a flow of economic resources measurement focus. With this measurement focus all assets and all liabilities associated with the operation of the Coalition are included on the statement of net position. The statements of revenues, expenses and changes in net position presents increases (e.g. revenues) and decreases (e.g. expenses) in net position. Operating revenues are revenues derived during the normal course of providing solid waste management. The primary example of operating revenues is user charges. Non-operating revenues are all revenues that do not meet the definition of operating revenues. Non-operating revenues include investment income and gain on disposal of capital assets.

The Coalition uses the accrual basis of accounting wherein revenues are recognized when earned and expenses when incurred. Capital assets are depreciated on a straight-line basis over estimated useful lives ranging from 2 - 30 years on buildings and improvements and 5 - 25 years on equipment. The Coalition’s financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

1. Summary of Significant Accounting Policies (Continued):

C. Budgets/Budgetary Accounting:

With the passage of LB 1207 in the 1994 Legislative session, joint entities such as the Northeast Nebraska Solid Waste Coalition created to fulfill the purpose of Integrated Solid Waste Management Act pursuant to the Interlocal Cooperation Act, were required to comply with the Municipal Proprietary Function Act for purposes of budgetary accounting. At the September 27, 2021 Coalition meeting, following a public hearing, the Coalition Board adopted the budget for the fiscal year ending September 30, 2022. Prior to this, public hearings on the budget were also held in Columbus, Norfolk, and Fremont. This budget was prepared by Coalition staff and submitted to the Coalition Board for their approval. The Municipal Proprietary Function Act requires that if estimated expenditures exceed budgeted expenditures the Board must adopt a proprietary function reconciliation statement within 90 days after year end which reflects any difference between the adopted budget statement and the actual expenditures for the fiscal year.

The Coalition’s budget is adopted and stated on a cash basis. For budget purposes both cash and cash equivalents along with restricted cash and investments (net of unamortized discount) are considered cash. The Budgetary Comparison Statement is prepared on this budgetary basis, which is not in accordance with U.S. generally accepted accounting principles.

D. Statements of Cash Flows:

The Coalition's cash and cash equivalents (which includes restricted cash) consists of demand deposit accounts and any certificates of deposit or U.S. Treasury obligations with original maturities of three months or less which are considered cash equivalents for purposes of the Statement of Cash Flows.

E. Investments:

The Coalition uses the following methods in determining the reported amounts:

Type	Method
Certificates of Deposit	Cost
U.S. Treasury Obligations:	
Held for Closure/Postclosure Care	Fair Value
Held for Operating	Cost, which approximates Fair Value

1. Summary of Significant Accounting Policies (Continued):

F. Recent Accounting Pronouncements:

Adoption of New Accounting Pronouncements

During the year, the coalition adopted four GASB Statements. Statement 87 *Leases* increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance of information about capital assets and the cost of borrowing, and simplifies accounting for interest cost incurred before the end of a construction period. Statement No. 92 *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 93 *Replacement of Interbank Offered Rates* addresses implications that result from the replacement of an interbank offered rate, most notably, the London Interbank Offered Rate. The adoption of these standards did not have an impact on the financial statements.

New Accounting Pronouncements Not Adopted

In May 2019, GASB issued Statement No. 91 *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. In March 2020, GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This Statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. In May 2020, GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users by defining a SBITA, establishing a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, providing the capitalization criteria, and requiring note disclosures. In April 2022, GASB issued Statement No. 99

F. Recent Accounting Pronouncements (Continued):

Omnibus 2022. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues identified during implementation and application of certain GASB statements and accounting and financial reporting for financial guarantees. These Statements are effective for the Coalition's year ending September 30, 2023.

2. Cash and Cash Equivalents:

On September 30, 2022 and 2021, the Coalition's cash consisted of fully insured and collateralized checking accounts. The Coalition's policy is to maintain all cash and equivalents either in fully insured and/or collateralized checking accounts, certificates of deposit and short-term U.S. Treasury obligations with original maturities of three months or less. On September 30, 2022 and 2021, and throughout such years, the Coalition's bank deposits were entirely covered by Federal Deposit Insurance or by collateral held in joint custody in the Coalition's name at a third party bank (a Federal Reserve Bank) acting as the Coalition's agent. The Coalition's agent, in the Coalition's name, held U.S. Treasury obligations.

3. Deposits and Investments:

The Coalition's deposits at September 30, 2022 were fully insured and collateralized checking accounts and certificates of deposit. The Coalition's primary account had a balance at September 30, 2022 of $5,389,632. At year end, the Coalition held U.S. Treasury Securities with an amortized cost of $2,982,762. These U.S. Treasury Securities had an original maturity at the time of purchase of twelve months or less. The Coalition also has an account held by the Coalition to finance closure/post closure care. At September 30, 2022 the balance in this bank account was $29,590.

Investments held for closure/postclosure care are shown at fair value. Investments held for closure/post closure care consisted of zero coupon U.S. Treasury obligations (Strips), Inflation Indexed Treasury Notes, and U.S. Treasury Securities.

3. Deposits and Investments (Continued):

At September 30, 2022 and 2021, the Coalition had the following investments and maturities:

US Treasury Obligations:	Maturity	Fair Value 9/30/2022	Fair Value 9/30/2021
Inflation Indexed Notes	4/15/2028	$762,739	$863,707
Inflation Indexed Notes	4/15/2028	495,880	561,522
Strips	11/15/2026	393,600	440,016
Strips	8/15/2028	560,167	644,250
Strips	11/15/2034	330,446	418,287
Strips	11/15/2036	377,174	493,744
Strips	8/15/2037	360,781	-
Strips	5/15/2040	1,409,512	1,953,315
Strips	11/15/2040	1,385,894	1,935,109
Strips	5/15/2041	240,827	339,697
Strips	11/15/2042	212,233	311,903
Strips	11/15/2043	242,165	356,977
Strips	5/15/2044	724,034	1,090,187
Strips	8/15/2044	261,048	394,456
Strips	11/15/2044	394,616	598,776
Strips	11/15/2046	311,342	434,547
Strips	11/15/2046	282,831	478,353
Strips	11/15/2047	339,881	521,349
Notes	8/15/2048	233,055	277,099
Total Investments		$9,318,225	$12,113,294

Interest Rate Risk: The Coalition's investment policy for operating funds is limited to Direct U.S. Treasury obligations or certificates of deposit with a maturity of 1 year or less. The investment policy for Debt Service funds is direct U.S. Treasury obligations with a maturity of 5 years or less. The investment policy for Closure/Post Closure Funds is direct U.S. Treasury obligations with investments maturing on or before needed for closure and post closure care.

Credit Risk: Coalition's investments at September 30, 2022 and 2021 consisted entirely of U.S. Treasury obligations rated AAA.

Concentration of Credit Risk: The Coalition's investment policy places no limits on the amounts that may be invested in any one issuer.

3. Deposits and Investments (Continued):

Fair Value Measurement Risk: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value. Level 1 is quoted prices in active markets for identical assets or liabilities. Level 2 is observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 3 is unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Coalition's investments in U.S. Treasury obligations are classified within Level 1 of the fair value hierarchy. The Coalition's demand deposits and certificates of deposit are carried at cost, and thus are not included within the fair value hierarchy.

Reconciliation to the financial statements:	**Carrying Amount Sept 30, 2022**	**Carrying Amount Sept 30, 2021**
U.S. Treasury obligations	$9,318,225	$12,113,294
Demand deposits	5,419,175	4,778,360
U.S. Treasury obligation held for operating	2,982,762	-
Certificates of deposits	-	2,540,098
	17,720,162	19,431,752
Cash and cash equivalents	5,389,585	4,753,369
Investments	2,982,762	2,540,098
Cash and investments held for closure/post closure costs	9,347,815	12,138,285
	$17,720,162	$19,431,752

4. Closure and Postclosure Care Cost:

State and federal laws and regulations require the Coalition to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after final closure. Although closure and postclosure care costs will be paid only near or after the date of closure, the Coalition reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $12,385,711 and $11,309,464 reported as landfill closure and postclosure care liability at September 30, 2022 and 2021, respectively, represents the cumulative amount reported to date based on the use of 58.6% and 55.8% respectively, of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and postclosure care in 2022 and 2021. The Coalition expects to close the landfill in a single phase. The estimated remaining landfill life is 15 years. Actual cost could change significantly due to inflation, changes in technology, or changes in regulations. The Coalition will recognize the remaining amount of the total estimated cost of closure and post closure care of $21.12 million as the remaining estimated capacity is filled.

The Coalition is required by state and federal laws and regulations to make annual contributions to an account held by the Coalition to finance closure and postclosure care. The Coalition is in compliance with these requirements and, at September 30, 2022 and 2021, cash and investments reported on a budgetary basis of $10,675,716 and $9,858,776, respectively, ($9,347,816 and $12,138,285 fair value, respectively) are held for these purposes. These are reported as restricted assets on the balance sheet. The Coalition expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (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 from future tax revenue.

5. Capital Assets:

Capital asset activity for the years ended September 30, 2022 and 2021 was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Capital assets, not being depreciated:				
Land	$ 1,218,051	$ -	$ -	$1,218,051
Construction in progress	-	49,476	-	49,476
Total capital assets, not being depreciated	1,218,051	49,476	-	1,267,527
Capital assets, being depreciated:				
Buildings & land improvements	10,852,287		-	10,852,287
Equipment	26,154	-	-	26,154
Total capital assets, being depreciated	10,878,441		-	10,878,441
Less accumulated depreciation for:				
Buildings & land improvements	7,627,652	377,973	-	8,005,625
Equipment	20,381	881	-	21,262
Total accumulated depreciation	7,648,033	378,854	-	8,026,887
Total capital assets, being depreciated, net	3,230,408	(378,854)	-	2,851,554
Capital assets, net	$ 4,448,459	$ (329,378)	$ -	$ 4,119,081

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Capital assets, not being depreciated:				
Land	$ 1,218,051	$ -	$ -	$ 1,218,051
Construction in progress	77,759	15,036	(92,795)	-
Total capital assets, not being depreciated	1,295,810	15,036	(92,795)	1,218,051
Capital assets, being depreciated:				
Buildings & land improvements	10,759,492	92,795	-	10,852,287
Equipment	26,154	-	-	26,154
Total capital assets, being depreciated	10,785,646	92,795	-	10,878,441
Less accumulated depreciation for:				
Buildings & land improvements	7,263,997	363,655	-	7,627,652
Equipment	19,501	880	-	20,381
Total accumulated depreciation	7,283,498	364,535	-	7,648,033
Total capital assets, being depreciated, net	3,502,148	(271,740)	-	3,230,408
Capital assets, net	$ 4,797,958	$ (256,704)	$(92,795)	$ 4,448,459

6. Risk Management:

The Coalition is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Coalition's general liability policy is a five million dollar aggregate, five million dollar per occurrence policy. The policy period is October 1, 2021 to September 30, 2022. Settled claims have not exceeded coverage in any of the past three years.

7. Pension Plan:

The Coalition provides a defined contribution Simplified Employee Pension plan. The plan established under Section 408(k) of the Internal Revenue Code, is for all employees age 18 or older. The amount contributed by the Coalition for the benefit of its employees is 7% of their salaries. Participants are always fully vested. Pension expense for the years ended September 30, 2022 and 2021 totaled $4,531 and $4,464, respectively.

8. Related Party Transactions:

The Coalition receives substantially all of its waste from member cities and counties, providing the majority of the Coalition's user fee revenue. As of September 30, 2022, $211,493 of accounts receivable were from member cities and counties. The City of Norfolk, a member of the Coalition, provides administrative services for the Coalition. During the year, $43,463 was paid to the City of Norfolk for these services. Also, the Coalition reimbursed the City of Norfolk $7,934 for Coalition expenses paid by the city and $4,844 was due to the City of Norfolk at September 30, 2022.

EXHIBIT 4A

NORTHEAST NEBRASKA SOLID WASTE COALITION

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN GENERAL FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
for the Fiscal Year Ended September 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest income	$ 17,000	$ 54,378	$ 37,378
User charges	3,070,843	2,939,175	(131,668)
Total revenues	3,087,843	2,993,553	(94,290)
Expenditures:			
Payroll and related taxes and benefits	100,089	93,830	6,259
Disposal fees	1,163,087	1,143,567	19,520
Repairs and maintenance	20,790	8,691	12,099
Operating supplies	2,250	1,583	667
General and administration	289,640	266,580	23,060
Capital outlay	520,000	7,409	512,591
Total expenditures	2,095,856	1,521,660	574,196
Excess (deficiency) of revenues over expenditures	991,987	1,471,893	479,906
Other financial sources (uses):			
Intrafund operating transfer out	(383,120)	(393,013)	(9,893)
Total other financial sources (uses)	(383,120)	(393,013)	(9,893)
Excess (deficiency) of revenues over expenditures and other financial uses	608,867	1,078,880	470,013
Fund balance - budgetary basis:			
Beginning of year	7,172,468	7,293,467	120,999
End of year	$ 7,781,335	$ 8,372,347	$ 591,012

The accompanying notes are an integral part of the financial statements

EXHIBIT 4B

NORTHEAST NEBRASKA SOLID WASTE COALITION

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN CLOSURE/POST CLOSURE FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

for the Fiscal Year Ended September 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest income	$ 314,000	$ 423,926	$ 109,926
Other financial sources:			
Intrafund operating transfer in	383,120	393,013	9,893
Excess of revenues and other sources over expenditures	697,120	816,939	119,819
Fund balance - budgetary basis:			
Beginning of year	9,828,876	9,858,777	29,901
End of year	$ 10,525,996	$ 10,675,716	$ 149,720

The accompanying notes are an integral part of the financial statements

1. Budget and Budgetary Control:

The annual appropriated budget adopted by the Coalition is prepared on a cash basis and, therefore, the budgetary basis differs from that used to present the financial statements in accordance with U.S. generally accepted accounting principles (GAAP). Such differences and their effect on operations are summarized as follows:

Excess (deficiency) of revenues and other financial sources over expenditures, and other financial uses on a budgetary basis:	
General Fund	$ 1,078,880
Closure/Post Closure Fund	816,939
	1,895,819
Basis differences:	
To adjust revenues from recognition on a cash basis	(3,598,623)
To adjust total expenditures from recognition on a cash basis	(1,471,643)
Change in Net Position, on a GAAP basis	$ (3,174,447)

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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*

Independent Auditor's Report

Board of Directors
Northeast Nebraska Solid Waste Coalition
Norfolk, Nebraska

We have audited, 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, the financial statements of the Northeast Nebraska Solid Waste Coalition (the Coalition), which comprise the statement of net position as of September 30, 2022, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

FORVIS, LLP

Lincoln, Nebraska
March 27, 2023