

Deep South Regional Municipal Solid Waste Management Authority
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies

The Deep South Regional Municipal Solid Waste Management Authority (“the Authority”) was created pursuant to Sections 12-8-50 through 12-8-59.1 of the official code of Georgia Annotated (the “Regional Solid Waste Management Authorities Act”), particularly Section 12-8-53(b) thereof, as a public body corporate and politic, created for nonprofit and public purposes for the benefit of the people of the State of Georgia. The Authority was created for the purpose of managing all aspects of the needs of its members with respect to solid waste, as directed by its members and its Board of Directors and as limited by the Regional Solid Waste Management Authorities Act. The entire income and assets of the Authority are held and distributed solely for such purposes. Member governments included the cities of Valdosta, Nashville and Lakeland and the counties of Lowndes, Berrien, Lanier, and Echols.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting policies, established in GAAP and used by the Authority, are discussed below:

A. Reporting Entity

In evaluating how to define the Authority for financial reporting purposes, management has considered the criteria set forth in GASB Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Financial Reporting Entity”.

B. Basic Financial Statements

Since the Authority is engaged in a single business-type activity, the Authority’s basic financial statements include only a proprietary fund financial statement.

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. Goods or services from such activities provided to outside parties are accounted for in enterprise funds. The generally accepted accounting principles applicable are similar to businesses in the private sector. The following is a description of the proprietary fund of the Authority:

The Authority’s enterprise fund provides management, finance, accounting, grant awards, administrative and operating services with regard to administering solid waste landfill royalty agreements for the member governments. Administrative services are provided by Southern Georgia Regional Commission.