

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 (Continued)

3. Revenues:

Substantially all revenues are accrued. Subsidies and grants which finance either capital or current operations are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

4. Use of Estimates:

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Grants to Members:

Grant applications received from member governments are subject to Board approval, however, the Authority is not obligated to reimburse a member government for the grant amount until the member government provides documentation that the funds were spent as stated and a progress report and signed grant agreement are received. Grants awards not paid out within a year from the award date expire, unless a one-year extension is obtained.

Note 2 – Cash, Custodial Credit Risk and Interest Rate Risk

The Authority's cash balances consist of investments in a local government investment pool ("Georgia Fund 1") through the State of Georgia Office of State Treasurer and demand deposits at financial institutions as follows:

	Year Ended June 30	
	2020	2019
Georgia Fund 1	\$ 1,347,025	\$ 1,129,179
Demand deposits	244,152	174,556
 Total cash and cash equivalents	 \$ 1,591,177	 \$ 1,303,735