ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022



Central Virginia Waste Management Authority



Annual Comprehensive Financial Report

July 1, 2021 Through June 30, 2022

Prepared By:

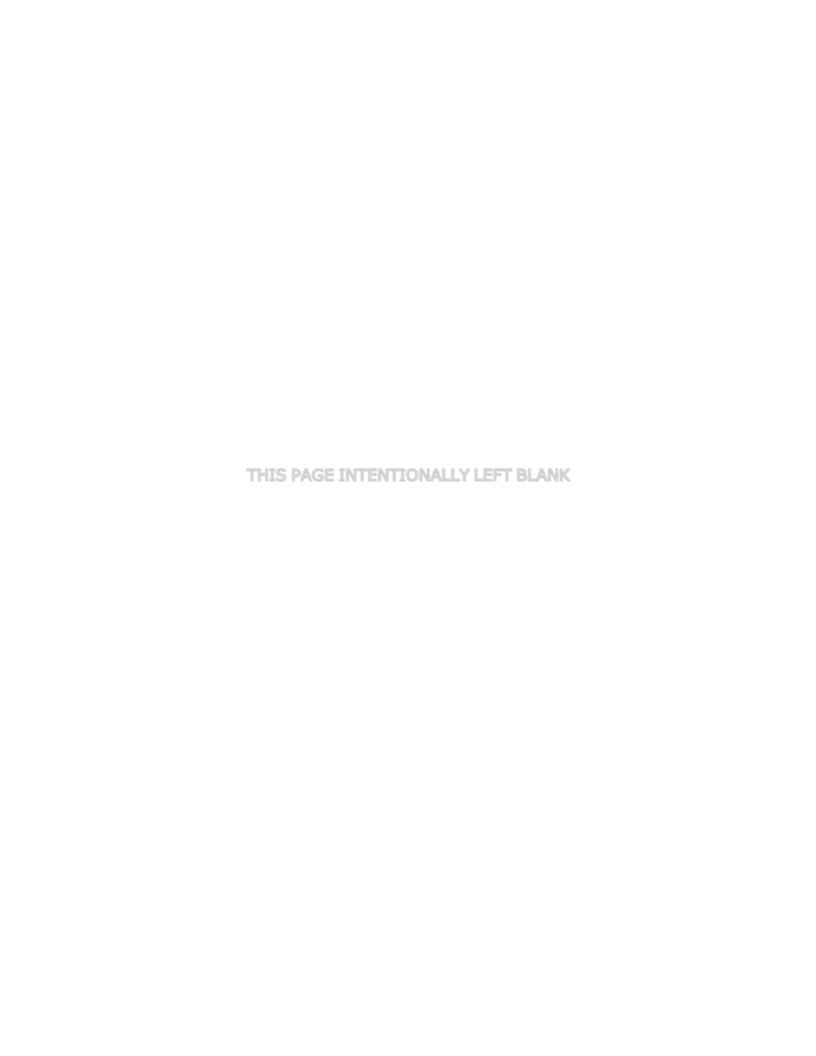
Kenna Shea Accounting and Financial Manager

Kimberly A. Hynes Executive Director

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Introductory Section





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October 19, 2022

Board of Directors Central Virginia Waste Management Authority Richmond, Virginia

Members of the Board:

The Annual Comprehensive Financial Report ("ACFR") of the Central Virginia Waste Management Authority ("Authority" or "CVWMA") for the year ended June 30, 2022 is submitted herewith. This report was prepared by the Accounting and Financial Manager and the Executive Director. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the undersigned management of the Authority. The financial statements have been audited by the independent accounting firm of Brown, Edwards & Company L.L.P., whose report is included herein. The ACFR has been prepared in accordance with accounting principles generally accepted in the United States of America for governmental accounting and reporting as promulgated by the Governmental Accounting Standards Board.

We believe that the data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position and results of operation of the various funds; and that all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activity have been included.

The ACFR is presented in four sections: Introductory, Financial, Statistical and Compliance. The *Introductory* Section contains this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a listing of Authority Board members and administrative staff and the Authority's organizational chart. The *Financial* Section contains the independent auditors' report, management's discussion and analysis, and the financial statements and related notes. The *Statistical* Section includes a number of statistical tables and charts that present financial trends and the fiscal capacity of the Authority. The *Compliance* Section contains the *Independent Auditors' 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.*

A brief history of the Authority, its financial operations and selected accomplishments are presented below. In addition, Management's Discussion and Analysis precedes the basic financial statements.

ORGANIZATION AND FUNCTION

The Authority was created in December 1990 under the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950 as amended) to assist member localities with solid waste planning, satisfying Virginia's recycling requirement and other waste management and recycling initiatives.

The Authority serves thirteen-member local governments: the Cities of Colonial Heights, Hopewell, Petersburg and Richmond; the Town of Ashland; and the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George. A Board of Directors consisting of one or more representatives appointed by each of the member jurisdictions governs the operations of the CVWMA. The Authority is a primary government with no component units and each member government has a financial interest and responsibility to the Authority.

ECONOMIC CONDITION AND OUTLOOK

Throughout 2021 the US economy grew steadily as Americans began to feel safe returning to work, school and resuming normal activities post-pandemic. The economy has contracted somewhat in the first half of 2022 with Gross Domestic Product decreasing 1.6% and .6% in the first and second quarters of 2022, respectively. Pent-up consumer demand and global supply chain issues have contributed to inflation rates of 8%-9%, the highest in 40 years. Higher mortgage rates are contributing to fewer home sales in the latter half of 2022. High inflation coupled with slowing housing market will likely lead to a recession heading into the new year.

Unemployment is trending downward to 3.5% from 5.2% in August 2021, to pre-pandemic levels. Virginia's unemployment rate in August was 2.6%, lower than 2019 and below the national levels. In central Virginia, the average unemployment rate is slightly higher than the Commonwealth. The labor market has diminished, another result of the pandemic. The waste and recycling industry has struggled in the last year hiring and retaining a work force to keep up with collections, processing and hauling of waste and recyclables, which has resulted in some service disruptions to citizens.

Trash and recycling are good indicators of economic health. During the pandemic, trash and recycling volumes shifted to less commercial and more residential as students and workers adjusted to working/learning from home. In the past year, commercial versus residential has balanced out as people returned to work, school and other normal activities. Interestingly, the mix of recyclables has changed over the last two years. The increase in demand for delivered goods, including groceries, clothing and other consumer goods has resulted in a significant increase (~25%) in cardboard in the recycling stream as compared to previous years.

The Authority strives to manage our waste that contributes to a more circular economy versus the traditional linear model of "produce, consume and discard." The continued success of recycling programs locally and globally is dependent on viable end markets and demand for the material. Recycling markets continue to ebb and flow in conjunction with the economy and other factors in the industry. Since China's restrictions on imports of recycled goods in 2018, more domestic capacity for fiber commodities has become available, resulting in increased demand for cardboard and mixed paper over the last 18 months. Increased demand equals soaring paper recycling markets. In addition, rising oil prices have driven up plastics recycling markets and the demand for steel has escalated exponentially driving up the prices for recycled scrap metal. Several CVWMA contracts share in the revenue from the sale of recycled commodities. In fiscal year 2022 those contracts earned nearly \$3.5 million, triple the previous fiscal year. Oversaturation of these recycled goods has resulted in a "crash" of the recycling markets in September and October; however markets are expected to level out after the first of the year.

The Authority is also an activator in the US Plastics Pact. The Pact is a collaborative, solutions-driven initiative to drive significant systems change for plastics in the US working to achieve lofty goals by 2025, including 1) defining a list of problematic or unnecessary packaging and take measures to eliminate; 2) all plastics packaging is 100% reusable, recyclable or compostable; 3) take action to effectively recycle or compost 50% of plastic packaging; and 4) the average recycled content or responsibly sourced bio-based content in plastic packaging will be 30%.

In central Virginia, Virginia and the nation, as landfill capacity shrinks, recycling and other technologies that make us less reliant on landfills, are becoming more and more important. On November 15, 2021, America Recycles Day, President Biden signed the Infrastructure Investment and Jobs Act that will provide \$550 billion of investment in the infrastructure and economy of the US over fiscal years 2022 – 2026. Under the bill, the Environmental Protection Agency (EPA) is developing several new waste prevention, reuse and recycling programs including solid waste infrastructure for recycling grant program and recycling education and outreach grant program. This will help spur economic development, invest in new technologies and create jobs that will contribute to sustainable materials management and a more circular economy.

MAJOR INITIATIVES

Planning for the future of our waste in a manner that that is sustainable and contributes to the economy is a top priority of the CVWMA Board of Directors and the region. Our vision and mission established 6 years ago have not changed, however as the landscape of solid waste will continue to change over the next 20 years in central Virginia, it's imperative we develop long-term strategic goals and objectives to reduce and manage our waste that provide a positive impact on the environment and contribute to a more circular economy. The CVWMA Board did just that in June 2022, adopting a 20-year strategic plan that outlines priorities for the organization and for increasing recycling and finding alternatives to landfilling our waste.

Five goals were developed to implement our newly approved plan: 1) Increasing recycling rate to 80% (DEQ Recycling Rate Report), while exploring and implementing alternative options to landfilling non-recyclable waste; 2) Ensure positive customer experience by providing 24/7 access to customer service; 3) Provide and expand educational services based on the Sustainable Materials Management Hierarchy (SMMH) to meet the needs of schools, local governments and citizens in all localities; 4) Increase access to recycling in multi-family units; and 5) Spur regional economic development opportunities to support the SMMH through education and research.

The residential recycling program is our largest and most visible program and provides easy access for residents to get involved in recycling. The current contract ends in 2023 and the Authority, through procurement has awarded and executed a new contract, which will result in an even more efficient and robust program. The new program will provide large 95-gallon recycling carts for each eligible household in the program, increasing efficiencies for the resident and collector. The CVWMA has executed a grant agreement with the Recycling Partnership that will contribute \$15 towards the cost of the carts in Henrico County and \$1 per household for notification, education and outreach. The grant amounts to about \$1.5 million.

The Authority recently awarded a new contract for the collection and disposal of municipal solid waste for the Cities of Colonial Heights, Hopewell and Petersburg and the Town of Ashland. The new contract began July 1, 2022, in the City of Colonial Heights and the other three will begin on or before July 1, 2024.

The Authority, for the first time, purchased the trash carts for the City and will be purchasing the carts for both the trash and recycling programs going forward under a recent procurement. Until now, the Authority has relied on the contractors to provide the carts. The Authority purchasing the carts will be a benefit to the localities from a cost standpoint as well as inventory and uniformity on the curb. The carts will be made from at least 30% post-consumer recycled plastic, 5% of which will come from residential recycling programs. In addition, we anticipate a portion of the material used to manufacture the carts will be climate positive, and as the amount of climate positive material used in the manufacturing process increases, the cart will reach carbon neutrality and even carbon positive. This supports our waste diversion and sustainability goals, while also contributing to the economy.

The Authority continues to be one of the best examples of regional cooperation, working with 13 local governments to provide solutions to recycling and waste management challenges and opportunities. Through strong public-private partnerships, we continue to create and build robust recycling programs, promote waste reduction, reuse and a more sustainable materials management plan that benefits our communities. We continue to increase awareness, knowledge and access to information and service that result in a positive environmental impact.

FINANCIAL CONTROLS

Internal Controls: The accounting system of the Authority is dependent upon a strong system of internal accounting controls to ensure that financial information generated is both accurate and reliable. The Authority's internal controls are designed to ensure that the assets of the Authority are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments made by management.

All internal control evaluations occur within the above framework. We believe that the Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls: The Authority maintains budgetary controls to ensure compliance with the annual appropriated budget approved by the Authority's Board of Directors. Budgets are prepared by program and the Authority maintains monthly budgetary control by presenting budget to actual financial reports to management and the Board of Directors.

INDEPENDENT AUDIT

State statute requires an annual audit by independent certified public accountants. The public accounting firm of Brown, Edwards & Company, L.L.P. was selected by the Authority's Audit Committee to perform the audit for the fiscal year ended June 30, 2022. The independent auditors' report on the financial statements is included in the financial section of this report.

AWARDS AND ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Central Virginia Waste Management Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the twenty fifth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

Through proper financial planning and management, the Authority continues to maintain its sound financial position. The timely preparation of this Annual Comprehensive Financial Report could not have been accomplished without the dedicated services of the entire staff of the Authority. We would like to express our sincere gratitude to the Board of Directors and the staff whose continuing support is vital to the financial stability of the Authority.

Respectfully submitted,

Kimberly A. Hynes CPA Executive Director

Kimberleyastynes

Kenna Shea Accounting and Financial Manager

Keuna M Shea



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Virginia Waste Management Authority

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

2021-2022 Board of Directors

Patricia Paige, County of New Kent Chair

Robert L. Dunn, County of Chesterfield Vice-Chair

J. Allen Lane, County of Henrico **Treasurer**

Miles Jones, City of Richmond **Secretary**

Tangela Innis, City of Petersburg **Director**

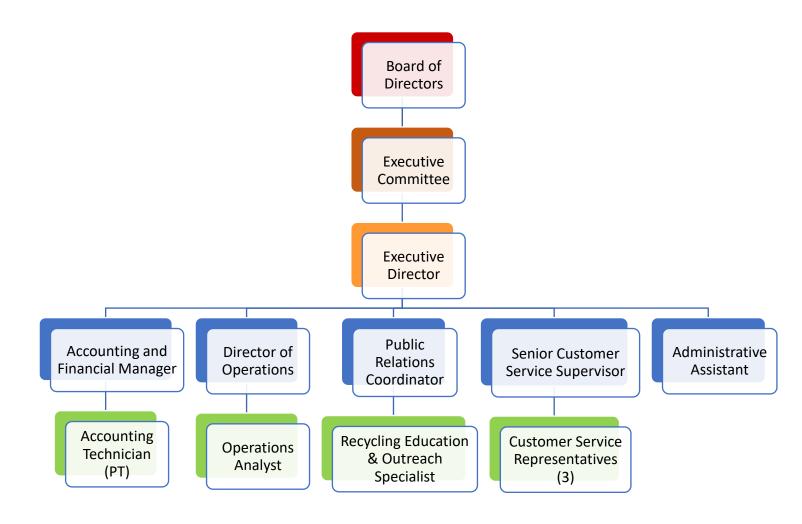
Stephen Chidsey, Town of Ashland Ricky Hicks, County of Charles City Clay Bowles, County of Chesterfield Cary Drane, County of Chesterfield Doug Smith, City of Colonial Heights Wendy Grady, County of Goochland David Howard, County of Hanover Sue Dibble, County of Hanover Marcia E. Kelley, County of Henrico John Mitchell, County of Henrico Monique Robertson, City of Hopewell Karin Carmack, County of Powhatan Elizabeth Hall, City of Richmond Carly Glenn, City of Richmond

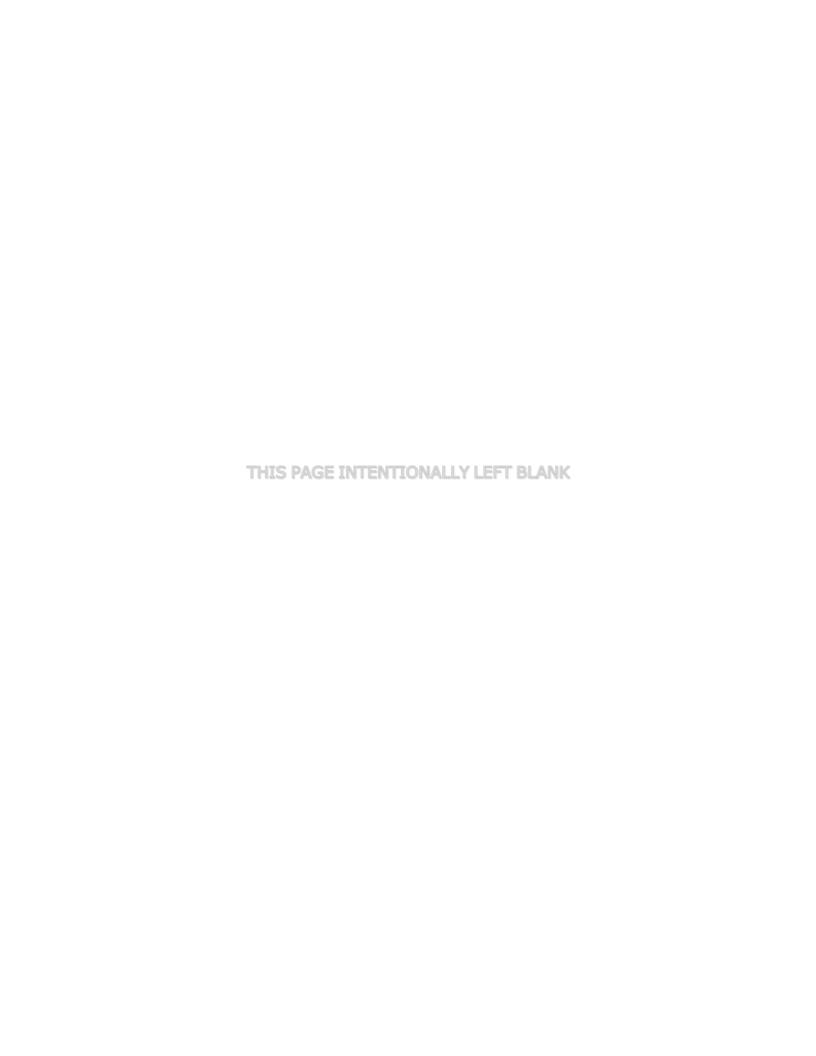
Administrative Staff

Kimberly A. Hynes, Executive Director
Kenna Shea, Accounting and Financial Manager
Richard M. Nolan, Director of Operations
Julie Buchanan, Public Relations Coordinator
Reginald D. Thompson, Operations Analyst
Stephanie N. Breaker, Senior Customer Service Supervisor
Angela Burley, Customer Service Representative
Stephanie Anderson, Customer Service Representative
Crystal Lee, Customer Service Representative
Barbara Trimmer, Accounting Technician, part-time

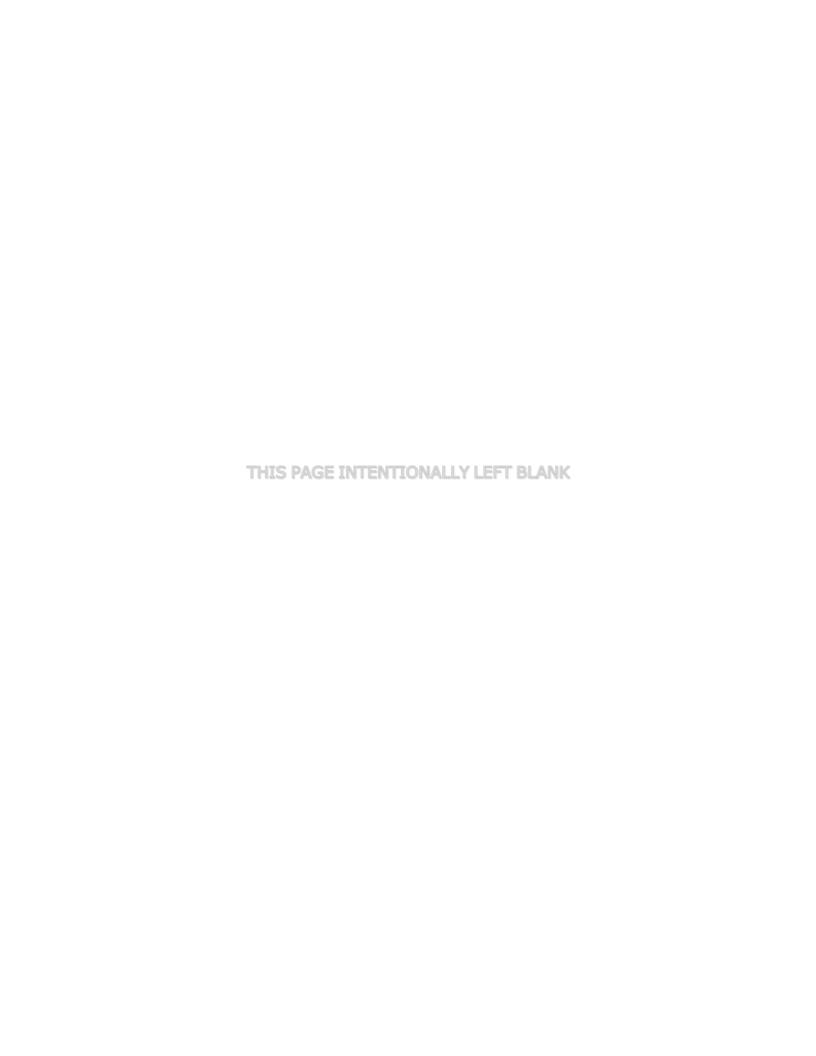
CVWMA General Counsel James Snyder McCandlish Holton PC







Financial Section





INDEPENDENT AUDITOR'S REPORT

To the Audit Committee and Board of Directors Central Virginia Waste Management Authority Richmond, Virginia

Opinions

We have audited the accompanying financial statements of each major fund of the Central Virginia Waste Management Authority (the "Authority") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major funds of the Central Virginia Waste Management Authority, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Notes III, IV and V to the financial statements, in 2022, the Authority adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and
 design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis,
 evidence regarding the 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 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

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

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

Report on Summarized Comparative Information

We have previously audited the Authority's 2021 financial statements, and our report dated September 7, 2021 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented therein for the year ending June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards. we have also issued report dated our October 19, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of 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 Authority'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 Authority's internal control over financial reporting and compliance.

CERTIFIED PUBLIC ACCOUNTANTS

Brown, Edwards & Company, S. L. P.

Harrisonburg, Virginia October 19, 2022 THIS PAGE INTENTIONALLY LEFT BLANK

Management's Discussion And Analysis

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CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY Management's Discussion and Analysis

Management Authority ("Authority" or "CVWMA") for the fiscal year ended June 30, 2022. This information should be read in conjunction with the letter of transmittal and the financial statements.

Financial Highlights

The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources by \$537,585 at the close of the 2022 fiscal year. Total net position increased by 14.9%. Operating revenues increased by 5.3% or \$983,081 to \$19,533,950. Operating expenses increased 3.7% or \$689,282. Net non-operating revenues and expenses decreased by 74% to \$431.

The Authority's capital assets consist of computer equipment, office furniture, vehicles. leasehold improvements and trash carts (new in 2022). Net capital assets increased \$431,641 due mostly to the lease purchase of trash carts for the City of Colonial Heights. More detailed capital asset activity can be found in Note III. Capital Assets.

Overview of the Financial Statements

The Statement of Net Position presents information on all the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful measure of the Authority's financial health or position. The current fiscal year revenues and expenses of the Authority are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. The Statements of Cash Flows provide information on the Authority's cash receipts, payments, and net changes in cash. They also provide insight on the source, use and change in cash for the reporting period. Notes to the financial statements provide additional information that is essential to understanding data in the financial statements.

The Authority reports its operations as enterprise funds and uses proprietary fund accounting. Accordingly, the operations of the Authority are recorded on the accrual basis of accounting. Under this method, revenues from member jurisdictions for services provided and revenues from other entities are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash.

Financial Analysis of CVWMA's Financial Position and Results of Operation

The tables presented herein provide a summary of the CVWMA's financial position and operations for FY2022 and FY2021.

Condensed Statements of Net Position

				Chang	je
		<u> 2022</u>	<u>2021</u>	<u>Amount</u>	<u>%</u>
Assets:					
Current	\$ 5	,187,140	\$ 4,494,455	\$ 692,685	15.41%
Capital assets, net		949,411	437,827	511,584	116.85%
Long term assets		16,987	-	16,987	100.00%
Total assets	6	,153,538	4,932,282	1,221,256	24.76%
Deferred Outflows of Resources		132,402	224,868	(92,466)	-41.12%
Liabilities:					
Current	4	,700,267	3,945,161	755,106	19.14%
Long Term		743,755	734,329	9,426	1.28%
Total liabilities	5	,444,022	4,679,490	764,532	16.34%
Deferred Inflows of Resources		304,333	9,684	294,649	3042.64%
Net position:					
Net investment in capital assets		40,831	19,975	20,856	104.41%
Restricted for net pension asset		16,885	-	16,885	100.00%
Restricted for net other post emplooyment asset		102	-	102	100.00%
Unrestricted		479,767	448,001	31,766	7.09%
Total net position	\$	537,585	\$ 467,976	\$ 69,609	14.87%

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY Management's Discussion and Analysis

Condensed Statements of Revenues, Expenses and Changes in Net Position For The Years Ended June 30, 2022

				Cha	nge
	<u>2022</u>	<u>2021</u>	_	Amount	%
Operating revenues:					
Local government assessments	\$ 579,188	\$ 575,228	\$	3,960	0.7%
Recycling	9,277,896	10,449,464	(1,171,568)	-11.2%
Refuse and solid waste	5,277,307	5,292,545		(15,238)	-0.3%
Composting and yard waste	675,760	860,806		(185,046)	-21.5%
Other project revenue and fees	315,351	337,016		(21,665)	-6.4%
Material sales rebate	 3,408,448	1,035,810		2,372,638	229.1%
Total operating revenues	19,533,950	18,550,869		983,081	5.3%
Operating expenses:					
Administrative/operating	184,883	181,135		3,748	2.1%
Salaries and benefits	836,387	939,550		(103,163)	-11.0%
Professional service fees	88,004	164,848		(76,844)	-46.6%
Depreciation and amortization	94,498	92,526		1,972	2.1%
Program contractual services	14,971,276	16,401,262	(1,429,986)	-8.7%
Material sales rebate	3,289,724	996,169		2,293,555	230.2%
Total operating expenses	 19,464,772	18,775,490		689,282	3.7%
Operating (loss)	69,178	(224,621)		293,799	-130.8%
Non-operating revenues (expenses):					
Grants and sponsorships	10,000	10,000		-	0.0%
Interest income	9,715	11,907		(2,192)	-18.4%
Interest expense	(19,284)	(20,281)		997	-4.9%
Non-operating revenues (expenses)	 431	1,626		(1,195)	-73.5%
Change in net position	69,609	(222,995)		292,604	-131.2%
Beginning net position	 467,976	690,971		(222,995)	-32.3%
Ending net position	\$ 537,585	\$ 467,976	\$	69,609	14.9%

Net Position increased by \$69,909 in Fiscal Year 2022. Recycling markets have improved significantly during the year as noted by the 229% increase in material sales rebate, most of which is passed through to the participating localities. CVWMA retains a portion of the material sales revenue in the Drop Off Recycling Fund and totaled \$118,724 in 2022 compared to \$39,641 in 2021. The Authority implemented GASB 87 resulting in a restatement of prior year and an additional expense of \$14,000 and \$10,500 in 2022 and 2021, respectively. The impact of the most recent valuation of pension and other post-employment benefits resulted in \$42,690 increase to expense compared to \$95,500 in 2021.

Overall operating revenues have increased nearly 5.3% in FY 2022 over FY 2021 mostly as a result of the soaring recycling markets, which has also resulted in a reduction in costs for the residential recycling program. In FY2019, CVWMA renegotiated its contract for residential recycling to include a \$30/ton processing fee on top of collection. Included in that renegotiation are provisions for improvement in recycling markets to include a reduction in processing costs and could result in a rebate back to CVWMA and participating jurisdictions based

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY Management's Discussion and Analysis

on rising market prices for paper and cardboard. The pandemic as well as paper mill capacity opening up in United States, in response to China's ban on fiber and plastics, has driven up demand for recycled goods, thus driving up prices and reducing costs for recycling.

Similarly to revenue, the Authority's expenses increased 3.7% due to increased material sales revenue provided back to the participating localities. Vacancies in a couple of staff positions during the year resulted in a reduction in cost for salaries and benefits. Approximately 95% of total revenues are passed through to member localities based on their participation in various programs. Net Position increased to 2.7% of the total 2022 budget. The Authority continues to remain in a strong financial position.

Economic Factors and the FY 2022 Budget

Member local governments benefit from an economies of scale approach to solid waste planning and providing robust programs to citizens that positively impact the environment while balancing costs. Many operational programs and services cross jurisdictional boundaries, thus providing services regionally takes the burden off of localities for developing and maintaining their own solid waste plans, meeting the state's recycling goals and providing cost effective, volume-based programs that benefit multiple localities. The Authority strives to ensure economic resiliencies, not just for the Authority, but member localities too. When there is a downturn in the economy, working together becomes increasingly important. About 95% of our revenues are passed through from localities based on participation in CVWMA programs. Since the Authority is funded by local government, the financial stability of our member jurisdictions is vital to CVWMA's financial health.

Public-private partnerships have proven valuable to member localities and CVWMA continues to do what it does best in negotiating cost effective contracts that best fit the needs of the diverse communities we serve. Cost is important, but customer service and performance of our contractors are just as important, and the Authority is selective in choosing companies that provide the best value products and services. The Authority has procured for its three largest contracts in the last 18 months.

Recycling markets, particularly for steel, mixed paper, cardboard and plastics have turned around and have reached all time highs in the last year due to the demand for recycled goods during and post-pandemic. Several CVWMA contracts generate revenue from the sale of recyclable materials and because of the Authority's negotiations, \$3.2 million was provided back to participating jurisdictions in fiscal year 2022 to offset their operational costs. That is more than triple the previous year. CVWMA retains a portion of the material sales rebate to balance the budget. The CVWMA continues to be highly regarded for providing cost effective recycling and solid waste initiatives to our member governments and this benefit is proven during volatile economic times.

The Authority's budget has grown by 33% over the last five years to nearly \$20 million. This is a result of increase level of participation by member localities, and increase costs of programs as a result of procurement and inflation. CVWMA maintains a strong and healthy net position and thus has successfully avoided raising assessments to member localities.

Contacting CVWMA's Financial Management

This financial analysis is designed to provide a general overview of CVWMA's finances to all interested parties. If you have questions about this report, or need additional financial information, contact the CVWMA's Executive Director at Central Virginia Waste Management Authority, 2100 W. Laburnum Avenue; Suite 105, Richmond, Virginia 23227 or by telephone at 804-340-0900.

STATEMENT OF NET POSITION JUNE 30, 2022 With Comparative Totals at June 30, 2021

	General Operating Fund	Residential Recycling	Drop-Off Recycling	Municipal Solid Waste	Waste Transfer & Disposal	Special Wastes	Total 2022	2021
Assets:								
Cash and cash								
equivalents	\$ 271,197	\$ 1,406,115	\$ 325,142	\$ 487,194	\$ 182,569	\$ 95,115	\$2,767,332	\$1,578,399
Accounts receivable	530,765	803,436	111,329	593,994	269,872	89,186	2,398,582	2,889,232
Prepaid expenses	12,439	7,903	252	632			21,226	26,824
Total current assets	814,401	2,217,454	436,723	1,081,820	452,441	184,301	5,187,140	4,494,455
Capital Assets:								
Capital assets, net of depreciation	22,153	16,508	-	26,885	-	_	65,546	34,153
Right to use assets, net of amortization	167,414	137,739	5,825	572,887	-	-	883,865	403,674
Capital assets, net	189,567	154,247	5,825	599,772	-	-	949,411	437,827
Long-term Assets:								
Net OPEB asset	64	38	-	-	-	_	102	-
Net pension asset	9,979	6,180	220	506	-	-	16,885	-
Total long-term assets	10,043	6,218	220	506			16,987	
Total assets	1,014,011	2,377,919	442,768	1,682,098	452,441	184,301	6,153,538	4,932,282
Deferred Outflows of Resources:								
Pension related deferred outflows	70,490	43,654	1,551	3,578	_	_	119,273	213,143
OPEB related deferred outflows	7,759	4,805	171	394	_	_	13,129	11,725
Total deferred outflows of resources	78,249	48,459	1,722	3,972			132,402	224,868
Liabilities:								
Accounts payable	122,319	1,110,168	177,676	626,700	327,512	152,958	2,517,333	2,009,446
Checks paid exceeding cash	-	-	-	-	-	-	-	41,277
Other accrued liabilities	45,716	21,141	149	331	-	13,114	80,451	91,673
Lease liability - current	40,054	32,934	1,395	150,298			224,681	70,819
Unearned revenues	594,228	750,924		386,386	146,264		1,877,802	1,731,946
Total current liabilities	802,317	1,915,167	179,220	1,163,715	473,776	166,072	4,700,267	3,945,161
Long-term Liabilities:								
Lease liability	140,194	115,372	4,876	423,457	-	_	683,899	347,033
Net OPEB liability	35,375	21,907	778	1,796	-	_	59,856	72,413
Net pension liability	<u></u> _							314,883
Total long-term liabilities	175,569	137,279	5,654	425,253	-		743,755	734,329
Deferred Inflows of Resources:								
Pension related deferred inflows	167,257	103,581	3,679	8,490	_	_	283,007	920
OPEB related deferred inflows	12,604	7,805	277	640	_	_	21,326	8,764
Total deferred inflows of resources	179,861	111,386	3,956	9,130			304,333	9,684
Not Desition (Definit)								
Net Position (Deficit)	0.240	E 0.44	(446)	26.047			40.004	10.075
Net investment in capital assets Restricted for net pension asset	9,319 9,979	5,941 6,180	(446) 220	26,017 506	-	-	40,831 16,885	19,975
Restricted for net post-employment asset	,	38	220	506	-	-	10,885	-
Unrestricted	(84,849)	250,387	255,886	61,449	(21,335)	18,229	479,767	448,001
Total net position (deficit)	\$ (65,487)	\$ 262,546	\$ 255,660	\$ 87,972	\$ (21,335)	\$ 18,229	\$ 537,585	\$ 467,976

The notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2022 With Comparative Totals for the Year Ended June 30, 2021

	General Operating <u>Fund</u>	Residential <u>Recycling</u>	Drop- Off <u>Recycling</u>	Municipal Solid <u>Waste</u>	Waste Transfer & <u>Disposal</u>	Special <u>Wastes</u>	Total <u>2022</u>	<u>2021</u>
Operating revenues:								
Local government								
assessments	\$ 579,188	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 579,188	\$ 575,228
Recycling	-	7,799,147	1,478,749	-	-	-	9,277,896	10,449,464
Refuse and solid waste	-	-	-	3,620,907	1,656,400	-	5,277,307	5,292,545
Composting and yard waste	-	-	-	-	-	675,760	675,760	860,806
Other project revenues	-	-	-	-	-	315,351	315,351	337,016
Material sales rebates		1,681,357	635,790			1,091,301	3,408,448	1,035,810
Total operating revenues	579,188	9,480,504	2,114,539	3,620,907	1,656,400	2,082,412	19,533,950	18,550,869
Operating expenses:								
Administrative/operating	36,558	141,511	2,169	4,645	-	-	184,883	181,135
Salaries and benefits	534,877	265,652	11,793	24,065	-	-	836,387	939,550
Professional service fees	43,359	35,767	2,161	6,717	-	-	88,004	164,848
Depreciation and amortization	51,841	37,510	1,473	3,674	-	-	94,498	92,526
Project contractual services	-	7,286,980	1,478,749	3,558,988	1,656,383	990,176	14,971,276	16,401,262
Material sales rebate		1,681,357	517,066			1,091,301	3,289,724	996,169
Total operating expenses	666,635	9,448,777	2,013,411	3,598,089	1,656,383	2,081,477	19,464,772	18,775,490
Operating income (loss)	(87,447)	31,727	101,128	22,818	17	935	69,178	(224,621)
Non-operating revenues (expenses	s):							
Grants and sponsorships	-	10,000	-	-	-	-	10,000	10,000
Interestincome	5,243	2,236	699	1,537	-	-	9,715	11,907
Interest expense	(10,016)	(8,241)	(348)	(679)			(19,284)	(20,281)
Non-operating revenues (expenses)	(4,773)	3,995	351	858			431	1,626
Interfund Transfers	92,220		(92,220)					
Change in Net Position	-	35,722	9,259	23,676	17	935	69,609	(222,995)
Net position (deficit) - beginning								
of year, as restated (See Note V)	(65,487)	226,824	246,401	64,296	(21,352)	17,294	467,976	690,971
Net position (deficit) -								
end of year	\$ (65,487)	\$ 262,546	\$ 255,660	\$ 87,972	\$ (21,335)	\$ 18,229	\$ 537,585	\$ 467,976

The notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2022 With Comparative Totals for the Year Ended June 30, 2021

	General Operating <u>Fund</u>	Residential <u>Recycling</u>	Drop- Off <u>Recycling</u>	Municipal Solid <u>Waste</u>	Waste Transfer & <u>Disposal</u>	Special <u>Wastes</u>	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities								
Receipts from local governments	\$ 624,171	\$8,123,916	\$ 1,591,586	\$3,707,322	\$1,562,218	\$ 1,155,699	\$ 16,764,912	\$17,885,238
Payments to contractors Payments to suppliers	(122,243)	(6,847,278) (175,160)	(1,282,567) (4,159)	(3,514,994) (10,631)	(1,638,522)	(1,019,307)	(14,302,668) (312,193)	(17,143,672) (275,495)
Payments to employees	(512,190)	(258,965)	(10,991)	(22,774)	<u>-</u>		(804,920)	(824,613)
Net cash provided by (used in) operating activiites	(10,262)	842,513	293,869	158,923	(76,304)	136,392	1,345,131	(358,542)
Cash Flows From Noncapital Financing Activities: Checks paid exceeding cash	_	_	_	_	_	(41,277)	(41,277)	41,277
Interfund transfers	92,220	-	(92,220)	-	-	-	-	-
Grants, sponsorships, and miscellaneous		10,000					10,000	10,000
Net cash provided by (used in) noncapital financing activities	92,220	10,000	(92,220)	-	-	(41,277)	(31,277)	51,277
Cash Flows From Capital and Related Financing Activities:	(00 =0 1)	(00.040)	(4.000)	(0.40=)			(=0.040)	(0= =0=)
Principal payments on leases Interest payments on leases	(36,791) (10,016)	(30,249) (8,241)	(1,282) (348)	(2,497) (679)	-	-	(70,819) (19,284)	(65,765) (20,281)
Acquisitions of capital assets	(9,652)	(9,653)	(340)	(25,228)	_	-	(44,533)	(9,931)
Net cash used in capital financing activities	(56,459)	(48,143)	(1,630)	(28,404)			(134,636)	(95,977)
Cash Flows From Investing Activities: Interest received	5,243	2,236	699	1,537			9,715	11,907
Net Increase (decrease) in cash and cash equivalents	30,742	806,606	200,718	132,056	(76,304)	95,115	1,188,933	(391,335)
Cash and cash equivalents at June 30, 2021	240,455	599,509	124,424	355,138	258,873		1,578,399	1,969,734
Cash and cash equivalents at June 30, 2022	\$ 271,197	\$1,406,115	\$ 325,142	\$ 487,194	\$ 182,569	\$ 95,115	\$ 2,767,332	\$ 1,578,399
	General Operating <u>Fund</u>	Residential <u>Recycling</u>	Drop- Off <u>Recycling</u>	Municipal Solid <u>Waste</u>	Waste Transfer & <u>Disposal</u>	Special <u>Wastes</u>	<u>2022</u>	<u>2021</u>
Net operating income (loss)	\$ (87,447)	\$ 31,727	\$ 101,128	\$ 22,818	\$ 17	\$ 935	\$ 69,178	\$ (224,621)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:								
Depreciation and amortization	51,841	37,510	1,473	3,674	-	-	94,498	92,526
Pension expense net of employer contributions OPEB expense net of employer contributions	22,215 (3,623)	20,075 2,123	676 45	1,224 (46)	-	-	44,190 (1,501)	96,427 (858)
(Increase)/decrease in Assets:	(3,023)	2,123	45	(40)	_	_	(1,501)	(030)
Accounts receivable - local governments	29,943	309,144	112,837	(31,680)	(94,182)	164,588	490,650	340,266
Prepaid expenses	2,578	2,118	171	731	-	-	5,598	(1,365)
Increase/(decrease) in Liabilities: Accounts payable	(44,904)	439,702	77,458	43,994	20,765	(29,131)	507,884	(699,358)
Unearned revenue	15,040	15,625	77,436	118,095	(2,904)	(29,131)	145,856	38,323
Other accrued liabilities	4,095	(15,511)	81	113			(11,222)	118
Net cash provided by (used in)								
operating activities	\$ (10,262)	\$ 842,513	\$ 293,869	\$ 158,923	\$ (76,304)	\$ 136,392	\$ 1,345,131	\$ (358,542)
Noncash capital and financing activities:								
Assets obtained through leases	\$ -	\$ -	\$ -	\$ 561,547	\$ -	\$ -	\$ 561,547	\$ -

The notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Central Virginia Waste Management Authority ("Authority") was created in December 1990 under the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950 as amended). The Authority's purpose is to plan, acquire, construct, reconstruct, improve, extend, operate, contract for and maintain any garbage and refuse collection, transfer and disposal program or system, including waste reduction, waste material recovery, recycling as mandated by law or otherwise, resource recovery, waste incineration, landfill operation, ash management, sludge disposal from water and wastewater treatment facilities, household hazardous waste management and disposal and similar programs or systems, within one or more of the political subdivisions which are members of the Authority.

- **A. Reporting Entity -** The Authority is a primary government with no component units. The members of the Authority are the Cities of Colonial Heights, Hopewell, Petersburg and Richmond; the Town of Ashland; and the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George. The Authority is governed by a Board of Directors consisting of one or more representatives appointed by each of the member cities, town and counties. The Authority is a jointly governed organization of the thirteen member jurisdictions listed herein, however it is not a component unit of any of the participating governments. The participating governments do have a financial interest in and responsibility to the Authority.
- **B.** Basis of Presentation The Authority administers six enterprise funds: the General Operating Fund, the Residential Recycling, the Drop-Off Recycling, the Municipal Solid Waste, the Waste Transfer and Disposal, and Special Wastes Funds are considered major funds.
- **C.** Basis of Accounting The accounting records for the Authority are maintained on the accrual basis with revenue recorded when earned and expenses recorded when incurred. The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB) for enterprise funds of governmental units.
- **D. Estimates -** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.
- **E. Cash and Cash Equivalents -** Cash and cash equivalents are defined as being cash and short-term interest-bearing investments consisting of certificates of deposit, repurchase agreements and other income producing securities. These investments are readily convertible to cash and are stated at cost, which approximates fair value.
- **F.** Receivables All revenue and receivables are recognized when earned. Receivables consist of amounts due from the participating governments for services performed for residents. Each government is liable for the actual cost of service based on operating assessments outlined in the Articles of Incorporation and contractual arrangements; therefore, there is no allowance for doubtful accounts.
- **G. Capital Assets -** Capital assets are stated at historical cost. The capitalization threshold for capital assets is \$2,000. Expenses for repairs and upgrading which materially add to the value or life of an asset are capitalized. Other maintenance and repair costs are charged to expense as incurred.

G. Capital Assets (Continued)

Depreciation and amortization are charged as an expense using the straight-line method over the assets' estimated useful lives as follows:

Furniture, fixtures and equipment 5-7 years
Computer equipment 2-3 years
Vehicles 7 years
Leasehold improvements 6 years
Trash and Recycling Carts 10 years

- **H. Compensated Absences -** Authority employees, in the event of termination, are reimbursed for accumulated annual leave in full, and for sick leave in the amount of one third (1/3) of sick leave accumulated up to \$3,500. Vested annual and sick leave balances are reflected in the accompanying financial statements as a current liability.
- I. Pensions and Other Postemployment Benefits (OPEB) For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of the Authority's Plans and the additions to/deduction from the Authority's Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). 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.
- **J. Deferred Inflows and Outflows of Resources -** In addition to liabilities, the statements that presents financial position reports a separate section for deferred inflows of resources. These items represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In addition to assets, the statement that presents net position reports a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority has the following items that qualifies for reporting as deferred inflows or outflows:

- Differences between expected and actual experience, changes in proportion, and changes of
 assumptions for economic/demographic factors in the measurement of the total pension and OPEB
 liability. This difference will be recognized in expense over the expected average remaining service
 life of all employees provided with benefits in the plan and may be reported as a deferred inflow or
 outflow as appropriate.
- Differences between projected and actual earnings on pension or OPEB plan investments. This
 difference will be recognized in pension expense or OPEB over a closed five-year period, and may
 be reported as a deferred inflow or outflow as appropriate.
- Contributions subsequent to the measurement date for pensions and OPEB; this will be applied to the net pension liability and the net OPEB liability in the next fiscal year.
- **K. Net Position -** Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investment in capital assets, restricted and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, reduced by any outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net position not included in the above categories. The Authority's restricted net position as of June 30, 2022 and 2021, consisted of net pension and net postemployment assets.

- **L. Risk Management -** The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance for all risks of loss including general liability, employee health and accident, workers' compensation, automobile and public officials' liability insurance. Any settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.
- **M. Revenue Classification -** Revenues from recycling and solid waste collection, local government assessments and other program revenues are reported as operating revenues. All other revenues including certain grants, contributions and interest income are reported as non-operating revenues.
- **N. Unearned Revenues -** In connection with certain contracts, the Authority bills for services and receives cash in advance. These amounts are recorded as unearned revenue until earned by the Authority.
- **O. Summarized Comparative Information for 2021 -** The financial information for the year ended June 30, 2021, presented for comparative purposes, is not intended to be a complete financial statement presentation because only the total of all funds has been reflected.

II. DEPOSITS AND INVESTMENTS

<u>Deposits</u>. Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

<u>Investments</u>. Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool.

At year end, the Authority's deposits and investments were as follows:

Cash and Cash Equivalents	<u>2022</u>	<u>2021</u>		
Local Government Investment Pool	\$ 4,110	\$ 1,005,077		
Money Market	999,748	-		
Cash in Bank	1,763,374	573,222		
Cash on Hand	100	100		
Total Cash and Cash Equivalents	\$ 2,767,332	\$ 1,578,399		

<u>Interest Rate Risk.</u> Investment maturity is managed to precede or coincide with expected need of funds to help limit exposure to fair value losses arising from rising interest rates. As of June 30, 2022, the Authority's investments were in a Money Market.

The Commercial Paper Instrument was reported at cost.

The Money Market is a short-term investment with immediate liquidity and the Authority has \$999,748 in the Money Market Fund. The LGIP is short-term investment pool offered through the State Treasurer to public entities in the Commonwealth. The Authority has \$4,110 in the LGIP portfolio which provides daily liquidity and is reported at amortized cost. The carrying value of this portion of the Authority's investment in this pool is determined by the pool's share price in accordance with GASB Statement No. 79.

II. DEPOSITS AND INVESTMENTS (Continued)

<u>Credit Risk.</u> Policy, consistent with state statute, requires commercial paper, including banker's acceptances, to have a short-term debt rating of no less than "P-1" from Moody's Investors Service, and "A-1" from Standard & Poor's (S&P). Corporate notes and bonds must have a rating of at least "AA" by S&P or "Aa" by Moody's. The Authority has no commercial paper instruments as of June 30, 2022 and 2021.

<u>Concentration of Credit Risk.</u> The Code of Virginia and the Authority's investment policy places no limit on the amount the Authority may invest in any one issuer. However, the policy establishes limitations on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk. At June 30, 2022, the Authority's investment portfolio consisted of the following:

lanuar .	Α.		<u>% of</u>
<u>Issuer</u>	<u>AI</u>	<u>nount</u>	<u>Portfolio</u>
Towne Bank Money Market	\$	999,748	99.6%
Local Government Investment Pool (LGIP)	_	4,110	0.4%
Total	<u>\$</u>	1,003,858	<u>100.0%</u>

III. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance June 30, <u>2020</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>2021</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>2022</u>
Furniture & equipment	\$ 72,766	\$ -	\$ -	\$ 72,766	\$ -	\$ -	\$ 72,766
Computer equipment	87,398	9,931	-	97,329	19,305	-	116,634
Vehicles	46,706	-	-	46,706	-	-	46,706
Trash and recycling carts	-	-	-	-	25,228	-	25,228
Leasehold improvements	15,001			15,001			15,001
Total capital assets	221,871	9,931	-	231,802	44,533	-	276,335
Accumulated depreciation:							
Furniture & equipment	62,488	3,008	-	65,496	3,008	-	68,504
Computer equipment	85,969	1,429	-	87,398	1,986	-	89,384
Vehicles	26,459	6,958	-	33,417	6,958	-	40,375
Trash and recycling carts	-	-	-	-	-	-	-
Leasehold improvements	10,150	1,188		11,338	1,188		12,526
Total accumulated							
depreciation	<u>185,066</u>	12,583	-	197,649	13,140		210,789
Capital assets being depreciated, net	<u>\$ 36,805</u>	\$ (2,652)	<u>\$ -</u>	<u>\$ 34,153</u>	<u>\$ 31,393</u>	<u>-</u>	<u>\$ 65,546</u>

III. CAPITAL ASSETS (Continued)

A summary of changes in lease assets follows:

	Balance June 30, <u>2020 *</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>2021 *</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>2022</u>
Office equipment	\$ 17,945	\$ -	\$ -	\$ 17,945	\$ -	\$ -	\$ 17,945
Office building	465,672	-	-	465,672	-	-	465,672
Trash and recycling carts	<u>-</u>				<u>561,547</u>		561,547
Total leased assets	483,617	-	-	483,617	561,547	-	1,045,164
Accumulated amortization:							
Office equipment	-	2,331	-	2,331	3,744	-	6,075
Office building	-	77,612	-	77,612	77,612	-	155,224
Trash and recycling carts	<u>-</u>	<u>-</u>			<u>-</u>	-	
Accumulated amortization	-	79,943	-	79,943	<u>81,356</u>	-	161,299
Leased assets being amortized, net	483,617	(79,943)		403,674	480,191		883,865
Total Capital Assets, net	\$ 520,422	<u>\$ (82,595)</u>	<u>\$</u> _	<u>\$437,827</u>	<u>\$ 511,584</u>	<u>\$</u>	<u>\$ 949,411</u>

^{*} Amounts have been restated to include items related to implementation of GASB Statement 87, Leases.

Intangible Right-to-Use Lease Assets

In 2022, the Authority implemented the guidance in GASB Statement No. 87, *Leases*, and recognized the value of a office equipment (copier and postage meter) leases under long-term contracts, a building leased for the Authority offices, and a lease to purchase trash and recycling carts.

IV. LEASE LIABILITIES

Intangible Right-to-Use Leases Liabilities

In 2022, the Authority implemented the guidance of GASBS No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating and capital leases.

The Authority, as a lessee, has entered into lease agreements involving the Authority's office space, copier and postage meter and trash carts. The total costs of the Authority's lease assets are recorded as \$1,045,164, less accumulated amortization of \$161,299 at June 30, 2022.

Future lease payments under lease agreements are as follows:

	Principal	Interest
2023	\$ 224,681	\$ 40,688
2024	255,310	28,397
2025	270,478	15,276
2026	158,111	3,070
	\$ 908,580	\$ 87,431

IV. LEASE LIABILITIES (Continued)

A summary of changes in lease liabilities follows:

	Balance June 30, <u>2020</u>	Additions	Principal Payments	Balance June 30, <u>2021</u>	<u>Additions</u>	Principal <u>Payments</u>	Balance June 30, <u>2022</u>
Office equipment	\$ 17,945	\$ -	\$ 2,132	\$ 15,813	\$ -	\$ 3,394	\$ 12,419
Office building	465,672	-	63,633	402,039	-	67,425	334,614
Trash and recycling carts	<u>-</u>				561,547	<u>-</u>	561,547
Total lease liabilities	\$ 483,617	<u>\$ -</u>	<u>\$ 65,765</u>	\$ 417,852	\$ 561,547	<u>\$ 70,819</u>	\$ 908,580

V. RESTATEMENT OF BEGINNING NET POSITION

For the year ended June 30, 2021, the Authority adopted GASB Statement No. 87, *Leases*, which requires reporting an intangible right-to-use asset and a lease liability for leases the Authority had previously reported as operating leases.

The following is a summary of the restatement to beginning net position as can be seen in the Statement of Revenues, Expenses and Changes in Net Position:

Net position, June 30, 2021, as previously reported	\$ 482,154
Effect of adopting GASB 87	 (14,178)
Net position, June 30, 2021, as restated	\$ 467,976

VI. DEFINED BENEFIT PENSION PLAN

Plan Description

All full-time, salaried permanent employees of the Authority, (the "Political Subdivision") are automatically covered by VRS Retirement Plan upon employment. This multi-employer agent plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
- https://www.varetire.org/hybrid.html.

VI. DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	6
Inactive members:	
Vested	5
Non-vested	2
Active Elsewhere in VRS	7
Total inactive members	14
Active members	7
Total covered employees	27

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The political subdivision's contractually required contribution rate for the year ended June 30, 2022, was 8.09% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$45,244 and \$47,004 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability (Asset)

The political subdivision's net pension liability (asset) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The net pension liability (asset) was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total pension liability General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

VI. DEFINED BENEFIT PENSION PLAN (Continued)

Inflation 2.5%

General Employees – Salary Increases, including inflation: 3.50% - 5.35%

Investment rate of return 6.75%, net pension plan investment expense, including inflation*

VI. DEFINED BENEFIT PENSION PLAN (Continued)

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table Projected with various set-backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees - Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Update mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates, no change to salary scale, no change to line of duty disability; and no change in the discount rate.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.00 %	1.70 %
Fixed Income	15.00	0.57	0.09
Credit Strategies	14.00	4.49	0.63
Real Assets	14.00	4.76	0.67
Private Equity	14.00	9.94	1.39
Multi-Asset Public Strategies	6.00	3.29	.20
Private Investment Partnership	3.00	6.84	.21
Total	100.00 %		4.89 %
	Inflation		2.50 %
*Expected arithmet	7.39 %		

^{*} The above allocation provides for a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.5%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.11%, including expected inflation of 2.5%.

VI. DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in the FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever is greater. From July 1, 2021 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)					
		Total		Plan		Net
		Pension		Fiduciary		Pension
		Liability	N	et Position		Liability
		(a)		(b)		(Asset) (a) – (b)
Balances at June 30, 2020	\$	2,240,793	\$	1,925,910	\$	314,883
Changes for the year:						
Service cost		53,510		_		53,510
Interest		148,537		-		148,537
Changes of assumptions		101,018		-		101,018
Differences between expected						
and actual experience		(34,505)		-		(34,505)
Contributions – employer		-		42,982		(42,982)
Contributions – employee		-		27,534		(27,534)
Net investment income		-		531,060		(531,060)
Benefit payments, including refunds of employee contributions		(80,477)		(80,477)		-
Administrative expenses		-		(1,298)		1,298
Other changes				50		(50)
Net changes		188,083		519,851		(331,768)
Balances at June 30, 2021	\$	2,428,876	\$	2,445,761	\$	(16,885)

VI. DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Current Decrease Discount (5.75%) Rate (6.75%)		1.00% Increase (7.75%)
Authority's net pension liability (asset)	\$ 350,105	\$ (16,885 <u>)</u>	<u>\$ (317,406)</u>

<u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

For the year ended June 30, 2022, the political subdivision recognized pension expense of \$85,411.

<u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)</u>

At June 30, 2022, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	23,269	\$	17,338
Changes of assumptions		50,760		-
Net difference between projected and actual earnings on pension plan investments		-		265,669
Employer contributions subsequent to the measurement date		45,244		<u>-</u>
Total	\$	119,273	\$	283,007

The \$45,244 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date and will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	(Reduction) in Pension Expense
2023	\$ (6,066)
2024	(60,663)
2025	(61,962)
2026	(80,287)
2027	<u>-</u>
Thereafter	-

VI. DEFINED BENEFIT PENSION PLAN (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

VII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Local Plan

Healthcare Benefits

A. Plan description

The Authority administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides postemployment healthcare benefits to retirees of the Authority, under the health plan administered by the Local Choice Health Benefits Program of the Virginia Department of Human Resource Management. Retirees must pay the full cost of health coverage for these benefits. A separate report was not issued for the plan. No assets are accumulated in a trust to pay benefits to the plan.

B. Funding Policy

By Authority resolution, the Authority allows qualified employees to participate in healthcare benefits at the retiree's expense. Local choice charges a blended rate which is 102% of the rate for participants that elect only to cover active employees. The only cost to the Authority is this implicit rate subsidy.

C. Funded Status and Funding Progress

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Employees Covered by Benefit Terms

As of July 1, 2021 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	Number
Inactive employees or beneficiaries:	
Currently receiving benefits	0
Entitled to but not yet receiving benefits	0
Total inactive employees	0
Active plan members	8
	8

Total OPEB Liability

The Authority's total OPEB Liability of \$27,024 was measured as of June 30, 2022, and was determined based on an actuarial valuation performed as of July 1, 2021.

VII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Local Plan (Continued)

Total OPEB Liability (Continued)

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate 3.54%
Inflation 2.5%

General Employees – Salary Increases, including inflation: 3.50%, average, including inflation with

variable merit

Healthcare cost trend rates 8.5% for 2021, decreasing to an ultimate

rate of 3.9%

The discount rate was based on the General Obligation 20-Bond Municipal Index as of June 30, 2021.

Mortality rates were based on the RP-2014 Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the Virginia Retirement System covering the period July 1, 2012-June 30, 2016. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 26, 2017.

Changes in the Total OPEB Liability

·	 al OPEB ability
Balance at 6/30/2021	\$ 23,885
Changes for the year: Service cost Interest Effect of economic/demographic gains or losses Changes in assumptions or other inputs Benefit payments	 1,351 544 2,543 (1,233) (66)
Net Changes	 3,139
Balance at 6/30/2022	\$ 27,024

Sensitivity Analysis

The following represents the Authority's total OPEB liability, calculated using a discount rate that is 3.54%. It also presents what the Authority's Total OPEB Liability would be if were calculated using a discount rate one percentage point lower (2.54%) and one percentage point higher (4.54%) than the current rate.

		Current					
		1.0% Decrease (2.54%)		Discount Rate (3.54%)		1.0% Increase (4.54%)	
Total OPEB Liability	<u>\$</u>	28,556	\$	27,024	\$	25,493	

VII. OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Local Plan (Continued)

The following presents the Authority's Total OPEB Liability, calculated using the current healthcare trend rates. It also presents what the Authority's Total OPEB Liability would be if it were calculated using healthcare trend rates that are one percentage point lower or one percentage point higher than the current rates.

	1.00%	1.00% 1.00% Decrease (7.5%)		it ate	1.00 Incre (9.5	ase
Total OPEB Liability	\$	24,435	\$ 2	7,024	\$	29,922

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the Authority recognized OPEB expense of \$1,031. At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Out	terred flows of cources	Inflo	Inflows of Resources	
Differences between expected and actual experience	\$	2,139	\$	2,307	
Change in assumptions		42		2,306	
Total	\$	2,181	\$	4,613	

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Increase (Reduction)	
Year Ending	`To OPEB´	
June 30,	Expense	
2023	\$ (864)	
2024	(864)	
2025	(864)	
2026	(111)	
2027	208	
Thereafter	62	

VIII. OTHER POST EMPLOYMENT BENEFITS LIABILITY – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Authority also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

VIII. OTHER POST EMPLOYMENT BENEFITS LIABILITY – Virginia Retirement System Plans (Continued)

Specific information for the GLI is available at https://www.varetire.org/members/benefits/life-insurance.asp

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than Teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive employees or their beneficiaries currently receiving benefits	1
Inactive members:	
Vested	-
Non-vested	-
Active Elsewhere in VRS	
Total inactive members	1
Active members	7
Total	8

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2020 (General Employee HIC Program) and June 30, 2019 (GLI Program). The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2022 Contribution	\$3,115
June 30, 2021 Contribution	\$3,124

General Employee Health Insurance Credit Program

Governed by:	Code of Virginia 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	.15% of covered employee compensation.
June 30, 2022 Contribution	\$ 865
June 30, 2021 Contribution	\$ 868

VIII. OTHER POST EMPLOYMENT BENEFITS LIABILITY – Virginia Retirement System Plans (Continued)

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

The net OPEB liabilities (asset) were measured as of June 30, 2021 and the total OPEB liabilities used to calculate the net OPEB liabilities (asset) was determined by an actuarial valuation performed June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the net OPEB liabilities (asset) were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2022 proportionate share of liability	\$32,832
June 30, 2021 proportion	.00282%
June 30, 2020 proportion	.00275%
June 30, 2022 expense	\$1,400

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

General Employee Health Insurance Credit Program

	Total OPEB Liability	N	Plan Fiduciary let Position	Net OPEB Liability (Asset)
	 (a)		(b)	 (a) – (b)
Balances at June 30, 2020	\$ 13,578	\$	10,943	\$ 2,635
Changes for the year:				
Service cost	719		-	719
Interest	896		-	896
Changes in assumptions	(51)		-	(51)
Difference between expected and				
actual experience	(541)		-	(541)
Contributions – employer	-		872	(872)
Contributions – employee	-		-	-
Net investment income	-		2,923	(2,923)
Benefit payments, including	(000)		(000)	
refunds of employee contributions	(609)		(609)	-
Administrative expenses	 		(35)	 35_
Net changes	 414		3,151	 (2,737)
Balances at June 30, 2021	\$ 13,992	\$	14,094	\$ (102)

In addition, for the year ended June 30, 2021, the Authority recognized OPEB expense of \$118 related to General Employee Health Insurance Credit Program.

VIII. OTHER POST EMPLOYMENT BENEFITS LIABILITY – Virginia Retirement System Plans (Continued)

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Ou	eferred tflows of sources	In	eferred flows of esources
Differences between expected and actual experience Change in assumptions Net difference between projected and actual earnings	\$	3,745 1,810	\$	250 4,492
on OPEB plan investments		-		7,836
Changes in proportion Employer contributions subsequent to the		1,195		722
measurement date		3,115		
Total	\$	9,865	\$	13,300

General Employee Health Insurance Credit Program

	Out	eferred tflows of sources	In	eferred flows of sources
Differences between expected and actual				
experience	\$	-	\$	1,723
Change in assumptions		218		268
Net difference between projected and actual				
earnings on OPEB plan investments		-		1,422
Employer contributions subsequent to the				
measurement date		865		-
Total	\$	1,083	\$	3,413

The deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program

Year Ended June 30,	` to	eduction) o OPEB xpense
2023	\$	(1,532)
2024		(1,168)
2025		(1,152)
2026		(2,377)
2027		(321)
Thereafter		

VIII. OTHER POST EMPLOYMENT BENEFITS LIABILITY - Virginia Retirement System Plans (Continued)

General Employee Health Insurance Credit Program

Year Ended June 30,	to	duction) OPEB pense
2023	\$	(719)
2024	·	(717)
2025		(664)
2026		(734)
2027		(285)
Thereafter		(76)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2020, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021:

Inflation	2.5%
 Salary increases, including inflation: Locality- general employees Locality – hazardous duty 	3.5 – 5.35%
employees Teachers	3.5 - 4.75% 3.5 - 5.95%
Healthcare cost trend rates: • Under age 65 • Ages 65 and older	7.00 – 4.75% 5.375 – 4.75%
Investment rate of return, net of	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail in Note VI of the Notes to the Financial Statements.

Net OPEB Liabilities (Assets)

expenses, including inflation*

The net OPEB liabilities (assets) represent each program's total OPEB liability determined in accordance with GASB Statement No. 75, less the associated fiduciary net position. As of June 30, 2021, net OPEB liability (assets) amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life
	Insurance Program
Total OPEB Liability	\$ 3,577,346
Plan fiduciary net position	2,413,074
Employers' net OPEB liability	
(asset)	\$ 1,164,272
Plan fiduciary net position as a	
percentage of total OPEB liability	67.45%

VIII. OTHER POST EMPLOYMENT BENEFITS LIABILITY – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities (Assets) (Continued)

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
34.00 %	5.00 %	1.70 %
15.00	0.57	0.09
14.00	4.49	0.63
14.00	4.76	0.67
14.00	9.94	1.39
6.00	3.29	.20
3.00	6.84	.21
100.00 %		4.89 %
Inflation		2.50 %
tic nominal return		7.39 %
	Allocation 34.00 % 15.00 14.00 14.00 14.00 6.00 3.00 100.00 % Inflation	Target Rate of Return 34.00 % 5.00 % 15.00 0.57 14.00 4.49 14.00 4.76 14.00 9.94 6.00 3.29 3.00 6.84 Inflation

^{*} The above allocation provides for a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimatelyprovide a median return of 6.94%, including expected inflation of 2.5%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time providing a median return of 7.11%, including inflation of 2.5%

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates.

VIII. OTHER POST EMPLOYMENT BENEFITS LIABILITY – Virginia Retirement System Plans (Continued)

Discount Rate (Continued)

Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liabilities (assets) of the Authority as well as what the Authority's net OPEB liabilities (assets) would be if it were calculated using a discount rate that is one percentage point lower (5.75% HIC; GLI) or one percentage point higher (7.75% HIC; GLI) than the current discount rate:

			Current		
	1.00% De	crease	Discount Rat	e 1.0	00% Increase
GLI Net OPEB Liability (Asset)	\$	47,969	\$ 32,8	832 \$	20,608
General Employee HIC Net OPEB Liability (Asset)		1,581	(1	02)	(1,518)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

IX. SUMMARY OF OTHER POSTEMPLOYMENT BENEFITS ELEMENTS

A summary of Other Postemployment Benefits (OPEB) financial statement elements are as follows:

	Out	erred flows sources	Inf	erred lows sources
Local Plan	\$ 2,181		\$	4,613
Group Life Insurance		9,865		13,300
Health Insurance Credit		1,083		3,413
Total	\$	13,129	\$	21,326
		Net OPEB		
		OPEB bility		PEB ense
Local Plan				
Local Plan Group Life Insurance	Lia	bility	Exp	ense
	Lia	27,024	Exp	ense 965

X. RELATED PARTIES

Each member jurisdiction has a financial responsibility to the Authority for assessments and fees for services. The Authority remits rebates from the sale of recycled materials to the participating governments.

Total amounts due from and payable to the related jurisdictions at June 30, 2022 and 2021 are as follows:

	20 :	<u> 22</u>		<u>2021</u>				
	<u>Due From</u>		<u>Due To</u>	<u>Due</u>	Ī	<u>Due To</u>		
Town of Ashland	\$ 4,507	\$	-	\$ 15,409	\$	-		
County of Charles City	3,251		-			-		
County of Chesterfield	742,301		2,478	576,546		20,539		
City of Colonial Heights	280,547		-	162,012		-		
County of Goochland	49,468		8,469	25,094		2,638		
County of Hanover	75,960		26,735	134,908		24,022		
County of Henrico	376,282		15,470	539,433		21,403		
City of Hopewell	240,205		-	326,003		842		
County of New Kent	34,976		2,804	58,673		4,324		
City of Petersburg	157,269		-	130,065		-		
County of Powhatan	88,625		2,662	119,946		3,212		
County of Prince George	20,645		-	17,928		-		
City of Richmond	 304,194		_	761,533	_	_		
Total	\$ 2,378,230	\$	<u>58,618</u>	\$ 2,870,918	\$	76,980		

Total revenues from and expenses to related jurisdictions in the years ended June 30, 2022 and 2021 are follows:

	<u>2022</u>				<u>2021</u>			
	Revenues		Expenses		Revenue		Expenses	
Town of Ashland	\$ 261,920	\$	14,183	\$	249,984		\$ 588	
County of Charles City	3,368		-		3,368		-	
County of Chesterfield	3,663,033		454,569		4,224,175		33 453	
City of Colonial Heights	934,976		48,284		949,647		2,942	
County of Goochland	670,784		166,583		638,603		81,783	
County of Hanover	564,985		604,511		578,773		304,706	
County of Henrico	3,118,660		1,037,148		3,528,996		399,247	
City of Hopewell	1,409,309		49,464		1,408,787		12,527	
County of New Kent	481,961		104,135		465,438		50,034	
City of Petersburg	1,564,559		6,522		1,553,279		2,719	
County of Powhatan	593,454		128,610		560,020		64,931	
County of Prince George	29,134		-		26,922		-	
City of Richmond	 2,498,645		672,303	_	2,971,971	_	41,595	
Total	\$ 15,794,788	\$	3,286,312	\$	<u> 17,159,963</u>	<u>\$</u>	994,525	

XI. NET POSITION AND INTERFUND TRANSFERS

The following funds have deficit net position balances as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
General Fund	\$ 65,487	\$ 65,487
Waste Transfer & Disposal	21,335	21,352

These deficits are expected to be eliminated through future revenues and/or interfund transfers. Interfund transfers are the flow of cash from one fund to another without the requirement of repayment.

XII. NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective.

Statement 91, "Conduit Debt Obligations." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2022.

Statement 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

Statement 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

XIII. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond the point of origin. In March 2020, the WHO classified the COVID-19 outbreak as pandemic, based on the rapid increase in exposure globally.

The Authority's operations are heavily dependent on local government and their financial health ability to continue participation in the Authority. The outbreak continues to have an impact on economic and market conditions, triggering a period of global economic slowdown.

To date, the Authority has not suffered any significant impact from the pandemic. However, management continues to monitor the impact of the global situation on its financial condition, liquidity and workforce.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2022

				Plan Ye	ear		
	2021	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service Cost	\$ 53,510	\$ 53,698	\$ 53,506	\$ 52,754	\$ 55,609	\$ 48,783	\$ 44,781
Interest on total pension liability	148,537	130,455	122,504	113,607	106,240	101,997	97,556
Difference between expected and actual experience	(34,505)	152,541	(2,962)	15,776	4,481	(30,702)	(24,167)
Changes of assumptions	101,018	-	65,856	-	(2,066)	-	-
Benefit payments, including refunds of member contributions	(80,477)	(57,127)	(55,474)	(54,604)	(63,421)	(55,516)	(53,934)
Net change in total pension liability	188,083	279,567	183,430	127,533	100,843	64,562	64,236
Total pension liability - beginning	2,240,793	1,961,226	1,777,796	1,650,263	1,549,420	1,484,858	1,420,622
Total pension liability - ending	2,428,876	2,240,793	1,961,226	1,777,796	1,650,263	1,549,420	1,484,858
Plan Fiduciary Net Position							
Contributions - employer	42,982	28,465	29,346	23,938	23,346	41,760	40,747
Contributions - employee	27,534	26,919	26,440	25,564	25,301	25,934	23,299
Net investment income	531,060	36,045	119,333	122,988	181,635	26,226	63,905
Benefit payments, including refunds of member contributions	(80,477)	(57,127)	(55,474)	(54,604)	(63,421)	(55,516)	(53,934)
Administrative expenses	(1,298)	(1,214)	(1,151)	(1,046)	(1,042)	(889)	(851)
Other changes	50	(43)	(76)	(220)	(285)	(11)	(14)
Net change in plan fiduciary net position	519,851	33,045	118,418	116,620	165,534	37,504	73,152
Plan fiduciary net position - beginning	1,925,910	1,892,865	1,774,447	1,657,827	1,492,293	1,454,789	1,381,637
Plan fiduciary net position - ending	2,445,761	1,925,910	1,892,865	1,774,447	1,657,827	1,492,293	1,454,789
Net pension liability (asset) - ending	\$ (16,885)	\$ 314,883	\$ 68,361	\$ 3,349	\$ (7,564)	\$ 57,127	\$ 30,069
Plan fiduciary net position as a percentage of total pension liability	101%	86%	97%	100%	100%	96%	98%
Covered payroll	\$ 578,479	\$ 566,070	\$ 568,845	\$ 539,218	\$ 526,157	\$ 512,903	\$ 468,572
Net pension liability (asset) as a percentage of covered payroll	-3%	56%	12%	1%	-1%	11%	6%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION CONTRUBITIONS FOR THE YEAR ENDED JUNE 30, 2022

Entity Fiscal Year Ended June 30	Re	tractually equired tribution	in R Con Re	tributions elation to tractually equired ntribution	Defic	bution iency cess)	C	nployer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$	45,244	\$	45,244	\$	-	\$	589,770	8.09%
2021		47,004		47,004		-		578,479	8.12%
2020		32,266		32,266		-		566,070	5.70%
2019		31,743		31,743		-		568,845	5.70%
2018		25,176		25,176		-		539,218	4.96%
2017		26,141		26,141		-		526,157	4.96%
2016		44,571		44,571		-		512,903	8.69%
2015		40,719		40,719		-		468,572	8.69%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, only eight years of date is available. Additional years will be included as they become available.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED JUNE 30, 2022

Plan Year 2022 2021 2021 2020 2020 2019 2019 2018 2018 2017 **VRS Health VRS Health VRS Health VRS Health VRS Health** Insurance Insurance Insurance Insurance Insurance Credit Credit Credit Credit Credit General General General General General Local Plan **Employees** Local Plan **Employees** Local Plan **Employees** Local Plan **Employees** Local Plan **Employees Total OPEB Liability** Service Cost 1,351 \$ 719 \$ 1,079 706 \$ 1,154 755 1,382 736 1,382 817 \$ Interest on total OPEB liability 544 896 516 919 986 885 758 818 758 790 Changes in benefit terms Difference between expected and actual experience 2.543 (541)(1,366)(4,405)(469)(8) Changes of assumptions and other inputs 66 2,187 362 (1,233)(51)(2,140)(2,140)(704)Benefit payments (66)(104)(23)(533)(609)(588)(656)(339)Net change in total OPEB liability 3,139 414 1,557 (329)(101)1,000 890 564 12,017 Total OPEB liability - beginning 23.885 13,578 22.328 13,907 22,429 12.907 22,429 22,429 11,453 Total OPEB liability - ending 27,024 22,328 \$ \$ 13,992 23,885 13,578 \$ 13,907 22,429 12,907 \$ 22,429 12,017 Plan Fiduciary Net Position \$ \$ 872 1,076 1,052 \$ 952 946 Contributions - employer \$ Contributions - employee Net investment income 2,923 205 613 650 834 Benefit payments (609)(588)(533)(656)(339)Administrative expenses (35)(21)(14)(15)(14)Other (1) (88) 40 Net change in plan fiduciary net position 3,151 672 1,117 843 1,467 10,271 Plan fiduciary net position - beginning 10,943 9,154 8,310 6,843 Plan fiduciary net position - ending 14,094 10,943 10,271 \$ \$ 9,153 \$ \$ 8,310 Net OPEB Liability (Asset)- ending 27,024 (102)23.885 22.328 3,636 \$ 22,429 3.754 \$ 22,429 3,707 2,635 \$ Plan fiduciary net position as a percentage of total OPEB liability 0% 101% 0% 81% 0% 74% 0% 71% 0% 69% Covered employee payroll \$ 589,770 578,479 \$ 578,479 566,070 \$ 568,848 \$ 553,515 \$ 553,515 529,094 \$ 529,094 \$ 525,698 Net OPEB liability (asset) as a percentage of covered payroll 4.6% 0.0% 4.1% 0.5% 3.9% 0.7% 4.1% 0.7% 4.2% 0.7%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report. This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF OPEB CONTRUBITIONS – GROUP LIFE JUNE 30, 2022

Entity Fiscal Year Ended June 30	Re	tractually equired tribution	Rel Cont Re	ibutions in lation to ractually equired tribution	Contrib Deficie (Exce	ency	nployer's red Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement	System	- Group Life	Insuran	ce - General I	Employees	3		
2022	\$	3,115	\$	3,115	\$	-	\$ 589,770	0.54%
2021		3,124		3,124		-	578,479	0.54%
2020		2,942		2,942		-	566,070	1.30%
2019		2,870		2,870		-	553,515	1.30%
2018		7,063		7,063		-	529,094	1.34%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF OPEB CONTRUBITIONS - HIC JUNE 30, 2022

Entity Fiscal Year Ended June 30	Det Em	tuarially ermined nployer tribution	En	Actual nployer tribution	Contri Defic (Exc		mployer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Health Insuran	ce Cred	lit General Er	nploye	es				
2022	\$	865	\$	865	\$	-	\$ 589,770	0.15%
2021		868		868		-	578,479	0.15%
2020		1,076		1,076		-	566,070	0.19%
2019		1,043		1,043		-	553,515	0.19%
2018		970		970		-	529,094	0.18%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, only five years of data is available. Additional years will be included as they become available.

The covered payroll amounts above for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE JUNE 30, 2022

Plan Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Shar	yer's Proportionate e of the Net OPEB iability (Asset)		nployer's red Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retiremer	nt System - Group Life	Insura	nce - General Employe	es			
2021	0.0028%	\$	32,832	\$	578,479	5.68%	67.45%
2020	0.0028%		45,893		566,070	8.11%	52.64%
2019	0.0028%		46,002		553,515	8.31%	52.00%
2018	0.0028%		43,000		529,094	8.13%	51.22%
2017	0.0029%		43,000		525,698	8.17%	48.86%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

Note 1. Changes of Benefit Terms

<u>Pension</u>: There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB): There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates at older ages and extended final retirement age from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered rates of disability retirement
- No changes to salary rates
- Increase Line of Duty Disability rates from 14% to 20%
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

All Others (Non 10 Largest) – Non-Hazardous Duty:

- Update mortality table to RP-2014 projected to 2020
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered disability rates
- No changes to salary rates
- Increased Line of Duty disability rate from 14% to 15%
- Decreased discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Statistical Section

The Statistical Section supports and provides additional historical perspective, context and detail to the Financial Section.

Financial Trends

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Net Position by Component Changes in Net Position Operating Revenues by Source Operating Expenses Nonoperating Revenues

Revenue Capacity

This schedule contains information to help the reader assess the Authority's significant revenue sources.

Curbside Recycling and Municipal Solid Waste Rates

Debt Capacity

The Authority does not issue debt and as a result no disclosure is required.

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Revenue by Locality Demographic and Economic Statistics Principal Employers

Operating Information

These schedules contain service and operational data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Materials Collected Number of Customers by Type Number of Employees by Function

Net Position by Component – Last Nine Fiscal Years

Figgs	Capital	Restricted for net pension and post-		
Fiscal	Assets	employment		
Year	Net	assets	Unrestricted	Total
2022	\$ 40,831	\$ 16,987	\$ 479,767	\$ 537,585
2021	99,918	-	368,058	467,976
2020	36,805	-	654,166	690,971
2019	48,479	-	729,152	777,631
2018	58,286	-	722,481	780,767
2017	69,658	-	683,708	753,367
2016	49,470	-	639,449	688,919
2015	41,786		588,655	•
2014	6,087	-	652,971	659,058

Changes in Net Position – Last Ten Fiscal Years

Fiscal Operating Operating Income Revenues Year Revenues Expenses (Loss) (Expenses)	Change in Net Position
2022 \$ 19,533,950 \$ 19,464,772 \$ 69,178 \$ 431 2021 18,550,869 18,775,490 (224,624) 1,626 2020 17,915,547 18,041,980 (126,433) 39,773 2019 16,474,821 16,548,024 (73,203) 70,067 2018 15,843,573 15,830,244 13,329 63,001 2017 15,809,592 15,792,426 17,166 47,282 2016 14,668,426 14,655,568 12,858 45,620 2015 13,451,160 13,402,929 48,231 31,812 2014 13,444,295 13,441,342 2,953 15,002	\$ 69,609 (222,995) (86,660) (3,136) 76,330 64,448 58,478 80,043 17,955

Notes:

GASB Statement No. 68 was adopted in fiscal year 2015 and GASB Statement No. 87 was adopted in fiscal year 2022., and restated for fiscal year 2021.

CVWMA's Net Position Policy allows the Authority to consider a rebate of unrestricted net position in excess of 5% of total operating budget. Although approximately 95% of the budget is pass through to localities depending on participation, the Authority feels it is prudent to continue to build reserves in the event significant resources are needed in the future.

Operating Revenues by Source – Last Ten Fiscal Years

	Local Gov't Assmts	Recycling(1)	Refuse and Solid Waste(2)	Composting and Yard Waste(3)	Other Projects(4)	Material Sales(5)	Total
2022	\$ 579,188	\$ 9,277,896	\$ 5,277,307	\$ 675,760	\$ 315,351	\$ 3,408,448	\$ 19,533,950
2021	575,228	10,449,464	5,292,545	860,806	337,016	1,035,810	18,550,869
2020	567,956	10,675,991	5,116,607	649,687	276,468	628,838	17,915,547
2019	561,661	9,624,916	4,612,401	490,231	331,592	854,020	16,474,821
2018	558,825	8,294,822	4,614,706	478,302	324,940	1,571,978	15,843,573
2017	552,522	8,140,823	4,583,544	545,261	260,544	1,726,898	15,809,592
2016	548,282	7,976,957	4,245,042	306,797	247,500	1,343,848	14,668,426
2015	533,205	7,221,900	3,871,868	326,904	174,062	1,323,221	13,451,160
2014	533,205	7,250,055	4,502,336	478,503	204,355	475,841	13,444,295
2013	533,205	7,048,641	5,633,416	474,475	202,976	395,695	14,288,408

Notes: Member jurisdictions have the option to choose from a menu of services that best meet their individual needs.

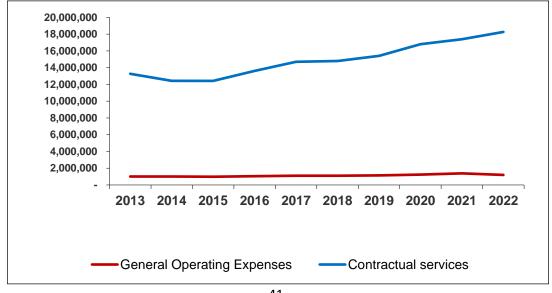
- (1) Recycling programs include residential and drop off recycling services, which include the recycling of traditional materials such as paper, cardboard and aluminum, plastic and glass bottles, and containers and cartons. The City of Richmond rolled out large recycling carts to about 61,500 equivalent residential units in July 2015. In addition, the City of Hopewell joined the curbside recycling program in July 2014. The CVWMA implemented curbside recycling in the City of Petersburg in March 2013. The CVWMA negotiated an early renewal of the contract for residential collection and processing of recyclable material, which became effective May 1, 2014, resulting in savings to participating localities. Currently, nine localities participate in residential recycling and ten participate in drop off recycling. In fiscal year 2019, the Authority renegotiated the contract for residential recycling collection with the vendor now servicing 8 of the 9 jurisdictions participating in curbside recycling. This was due to the significant disruption in the global recycling markets for 2/3 of the volume of material. CVWMA negotiated a sliding scale where depending on markets could pay a maximum \$30/ton for each ton of material collected on the curb or could pay less or even receive a rebate. Since FY2019, CVWMA and thus participating localities have been paying for processing. In fiscal year 2022, recycling markets have improved significantly to the point where the Authority has received \$30-\$50/per ton in rebate.
- (2) The refuse and solid waste programs include municipal solid waste collection and disposal in Ashland, Colonial Heights, Hopewell, Petersburg and certain residential units in Chesterfield; and transfer and disposal from the convenience centers in Chesterfield, Goochland, New Kent and Powhatan. Since July 1, 2012, CVWMA has procured and negotiated new contracts for trash collection in Ashland, Colonial Heights, Hopewell, and Petersburg, resulting in a significant reduction in costs. Additionally, a new procurement in 2012 resulted in significantly reduced rates for hauling and disposal of waste from 9 area convenience centers. In 2016, Chesterfield began providing trash collection to nearly 2,500 tax-relief customers through the Authority.
- (3) The yard waste grinding and leaf composting contracts are on an as needed basis with no minimum volume guaranteed. The increase in activity in fiscal years 2020 and 2021 is a result of Covid-19.
- (4) Other projects include other waste disposal and recycling programs such as waste tire recycling, appliance and scrap metal recycling and household hazardous waste disposal are provided on an "as needed" basis.
- (5) The revenue generated from the sale of recyclables is dependent upon the market at the time of the sale. Markets have fluctuated in the last ten years typically related to the fluctuation in the economy. In FY 2014, the Authority negotiated a renewal of the curbside recycling contract to include a rebate effective May 1, 2014, however due to significant downturns in the market, the rebate was suspended effective April 1, 2018. As a result the CVWMA renegotiated its contract with its largest residential recycling vendor, paying a maximum of \$30/ton in FY 2019. In FY2020, a further reduction in revenue received from the sale of used oil and scrap metal due to COVID-19. In FY2021 and FY2022, the demand for fiber, plastics and scrap metal resulted in significant increased rebates in both the curbside recycling and drop-off recycling programs.

Operating Expenses – Last Ten Fiscal Years

	 nistrative erating	Salaries And Benefits	Professional Service Fees		Depreciation And Amortization		Project Contractual Services		Material Sales Rebates*		Total Operating Expenses
2022	\$ 184,883	\$ 836,387	\$	88,004	\$	94,498	\$	14,971,276	\$ 3,289,724	\$	19,464,772
2021	181,135	939,550		164,848		92,526		16,401,262	996,169		18,775,490
2020	259,382	855,018		113,395		17,614		16,173,543	623,028		18,041,980
2019	288,088	755,092		71,426		24,847		14,562,931	845,640		16,548,024
2018	270,770	728,456		71,422		21,664		13,201,409	1,598,671		15,830,244
2017	300,345	720,328		61,356		15,961		13,041,006	1,653,430		15,792,426
2016	258,964	688,984		80,241		12,186		12,307,502	1,307,691		14,655,568
2015	241,959	667,420		61,985		12,301		11,130,568	1,288,696		13,402,929
2014	234,949	707,418		65,959		5,288		11,985,140	442,588		13,441,342
2013	225,782	714,568		67,346		10,606		12,923,072	350,357		14,291,731

Notes:

In FY 2013 the Authority completed the phase-in of the VRS employee contribution of 5%, which resulted in pay increases of 5%. Three full-time employees retired from the Authority in calendar year 2013. General operating expenses, including salaries, benefits and professional fees have remained relatively constant in relation to program costs over the last ten years. In FY 21, retirement costs through the Virginia Retirement System increased significantly. A rebate of \$669,367 was received in FY 2015 as a result of an early renewal of the residential recycling contract provided to 255,000 households and that rebate was suspended in April 1, 2018 due to significant downturns in the recycling markets. Three years after the collapse of the recycling markets for fiber, increased domestic capacity for paper and cardboard coupled with the impacts and demand for fiber products as a result of the pandemic resulted in significantly improved recycling markets. The Authority received and provided to the participating localities, triple the rebates over previous years. In FY 2016, the Authority hired Zellos to consult and assist with the implementation of the Authority's Strategic Plan. In late 2015, the Authority increased the Recycling Education and Outreach Specialist from part-time to a full-time position under the Public Affairs program. In FY2019, the Authority hired a consultant to provide a pay, classification and benefits study for full-time staff positions and the results were fully implemented in March 2019. In FY2020, the CVWMA hired a recycling and solid waste management consultant to evaluate the regional residential recycling program and in FY2021, hired a consultant to facilitate and draft a strategic plan for the Authority.



Nonoperating Revenues (Expenses) – Last Ten Fiscal Years

Fiscal Year	Grants and Sponsorships						Miscellaneous		Total Nonoperating Revenues	
2022	\$	10,000	\$	9,715	\$	(19,284)	\$	_	\$	431
2021	Ψ	10,000	•	11,907	Ψ	(20,281)	Ψ	_	Ψ	1,626
2020		10,000		29,773		-		-		39,773
2019		10,000		60,067		-		-		70,067
2018		15,000		47,995		-		6		63,001
2017		10,000		29,453		-		7,829		47,282
2016		24,500		21,120		-		-		45,620
2015		10,000		21,812		-		-		31,812
2014		10,000		4,702		-		300		15,002
2013		10,000		6,075		-		545		16,620

Notes:

The Authority has negotiated with TFC Recycling to contribute \$10,000 annually to promote residential recycling through sponsorship of the annual collection schedule. In 2018, CVWMA received monies from the National Carton Council in the amount of \$5,000 to promote the recycling of cartons. Seven sponsors contributed \$14,500 toward the CVWMA's 25th Anniversary events in 2015.

In 2015, the Authority implemented another payment option for vendors, which has resulted in earning a rebate on the payment to vendors via a purchasing card.

In 2022, the Authority implemented GASB No. 87 for Leases which also resulted in a restatement of fiscal year 2021.

The Authority sold two vehicles in FY2017, netting \$7,829 in revenue.

Residential Recycling and Municipal Solid Waste Rates Last Ten Fiscal Years

Residential Recycling - Rates per household per month

			Bi-Weekly					
	Bi-Weekly		Collection	Weekly	Public		Customer	
	Coll	lection	<u>w/ cart</u>	Collection	Information		<u>Service</u>	
2022	\$	2.030	\$ 2.030-3.190	\$ -	\$.075	\$.082
2021		1.980	1.980-3.110	-		.068		.072
2020		1.950	1.950-3.060	-		.067		.071
2019		1.910	1.650-3.000	-		.066		.070
2018		1.860	1.600-2.930	-		.065		.069
2017		1.840	1.540-2.930	-		.064		.068
2016		1.800	1.490-2.860	-		.063		.067
2015		1.800	1.470-2.420	-		.063		.067
2014		1.800	2.420	-		.063		.066
2013		1.815	2.872	2.872		.062		.065

Notes:

The curbside recycling program collection rates vary based on the participating jurisdictions level of service desired. In 2015, the City of Hopewell added residential recycling to its menu of services. In Fiscal Year 2013, both Ashland and Colonial Heights converted from a weekly collection program to bi-weekly with 95-gallon carts and the City of Richmond converted from bins to carts in 62,000 homes in 2016. Therefore, no jurisdiction is providing weekly collection anymore. The current contract became effective July 1, 2009 and an early renewal was negotiated effective May 1, 2014 resulting in reduced per household fees and rebate on each ton collected at the curb from one vendor. A fee is charged participating localities for public education and the CVWMA uses those funds to promote the program regionally. A separate fee is charged for customer service provided by the Authority.

The current municipal solid waste contracts include the Cities of Colonial Heights, Hopewell and Petersburg, the Town of Ashland and the County of Chesterfield. The rates include collection and

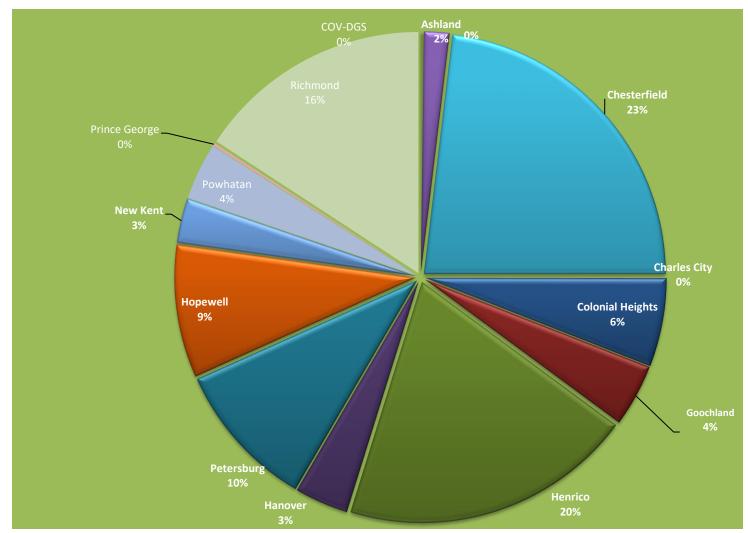
	Municipal Solid Waste Collection per household Per month	Tipping Fees Range Dollars <u>Per Ton</u>
2022	\$7.80 - \$10.87	\$19.91 - \$22.37
2021	\$7.63 - \$10.87	\$19.09 - \$21.45
2020	\$7.46 - \$10.87	\$18.55 - \$20.45
2019	\$7.00 - \$10.35	\$17,85 - \$20.07
2018	\$7.00 - \$10.35	\$17.24 - \$19.39
2017	\$7.00 - \$10.35	\$17.29 - \$19.01
2016	\$5.02 - \$10.35	\$16.90 - \$22.50
2015	\$5.02 - \$10.35	\$16.00 - \$22.50
2014	\$5.02 - \$15.40	\$16.00 - \$22.50
2013	\$5.02 - \$15.19	\$28.05 - \$38.30

disposal except in the City of Petersburg where disposal is free based on a host agreement between the City and the privately-owned landfill.

The Authority also has contracts for waste disposal from area convenience centers. The tipping fees (per ton disposal fees) were reduced in fiscal year 2014 with the procurement of new contracts for Chesterfield, Goochland, New Kent and Powhatan.

Revenue by Locality - Current Year and Nine Years Ago

Locality	2022 Operating Revenues	2022 Percent of Revenue	Locality	2013 Operating Revenues	2013 Percent of Revenue
-			•		
County of Chesterfield	\$ 3,663,033	23.1%	County of Chesterfield	\$ 3,347,383	24.4%
County of Henrico	3,118,660	19.7%	County of Henrico	2,774,636	20.3%
City of Richmond	2,498,645	15.8%	City of Richmond	1,668,413	12.2%
City of Petersburg	1,564,559	9.9%	City of Petersburg	1,576,258	11.5%
City of Hopewell	1,409,309	8.9%	City of Hopewell	1,476,116	10.8%
City of Colonial Heights	934,976	5.9%	City of Colonial Heights	788,251	5.8%
County of Goochland	670,784	4.2%	County of Goochland	566,516	4.1%
County of Powhatan	593,454	3.8%	County of Powhatan	505,211	3.7%
County of Hanover	564,985	3.6%	County of New Kent	409,226	3.0%
County of New Kent	481,961	3.0%	Town of Ashland	332,731	2.4%
Town of Ashland	261,920	1.7%	County of Hanover	236,139	1.7%
Commonwealth VA-DGS	33,028	0.2%	County of Prince George	17,148	.1%
County of Prince George	29,134	0.2%	County of Charles City	3,483	0.0%
County of Charles City	3,368	0.0%	Commonwealth VA-DGS	0	0.0%
Tetalo	¢45 007 046	400.00/		¢ 12 701 511	100.00/
Totals	\$15,827,816	<u>100.0%</u>		\$ 13,701,511	<u>100.0%</u>



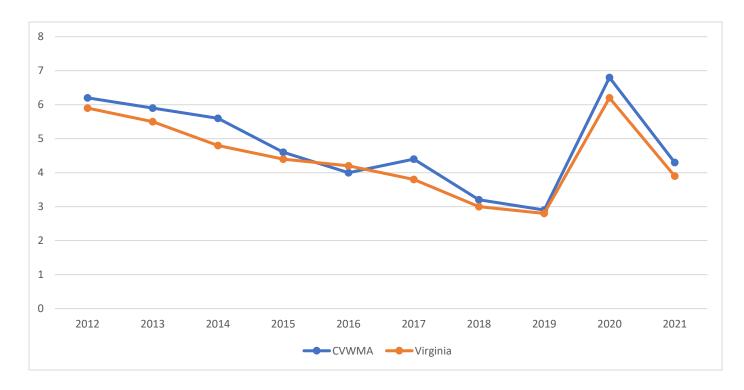
Demographic and Economic Statistics – Last Ten Calendar Years

Calendar		Average	Unemployment Rate			
<u>Year</u>	Population	<u>Income</u>	<u>CVWMA</u>	<u>Virginia</u>		
2021	1,246,707	\$ 62,632	4.3%	3.9%		
2020	1,218,399	64,695	6.8%	6.2%		
2019	1,206,641	57,018	2.9%	2.8%		
2018	1,199,092	59,010	3.2%	3.0%		
2017	1,183,241	57,772	4.4%	3.8%		
2016	1,170,128	53,723	4.0%	4.2%		
2015	1,164,023	52,136	4.6%	4.4%		
2014	1,151,077	50,405	5.6%	4.8%		
2013	1,142,254	46,730	5.9%	5.5%		
2012	1,132,928	45,339	6.2%	5.9%		

Source of Data: Weldon Cooper Center for Public Service, University of Virginia, Bureau of Economic Analysis, and Virginia Employment Commission.

The data above represents the Central Virginia Waste Management Authority Service Area which includes the Cities of Colonial Heights, Hopewell, Petersburg and Richmond; the Town of Ashland; and the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George.

Unemployment Rate Comparison



Central Virginia Principal Employers

Current Year and Nine Years Ago

Employer **	Calendar Year 2021*	Calendar Year 2013*
Capital One Bank MCV Hospitals/VCU Health Systems Chesterfield County School Board Henrico County School Board Virginia Commonwealth University Bon Secours Richmond Health Systems HCA Virginia Health Systems Amazon Fulfillment Services Inc. County of Henrico Wal Mart Richmond City Public Schools	Rank 1 2 3 4 5 6 7 8 9 10 n/a	Rank 2 5 1 3 4 7 6 n/a 9 n/a 8
City of Richmond	n/a	10

^{*} Virginia Employment Commission - Economic Information & Analytics

^{**} The Virginia Employment Commission does not disclose the actual number of employees, due to the Confidential Information Protection and Statistical Efficiency Act - Title V of Public Law 107-347. All employers have over 1,000 individuals employed.

Material Collected – Last Ten Fiscal Years

Fiscal Year	Tons Recycled*	Tons of Municipal Solid Waste	Cubic Yards of Yard Waste	Gallons of Paint Collected	Gallons of Used Oil Collected	Tons of Batteries Recycled	Propane Tanks Recycled	Tons of Tires Recycled	Tons of Electronics Recycled	Tons of Textiles
2022	45,883	80,330	106,753	13,805	159,685	89.2	6,367	367	104	766
2021	51,191	89,076	141,267	17,490	160,996	85.8	779	445	61	707
2020	49,174	84,970	113,883	18,370	160,482	85.9	2,650	324	155	824
2019	48,059	79,887	105,184	15,985	172,825	75.3	2,296	893	169	774
2018	48,238	76,512	86,796	14,355	166,390	67.6	2,342	939	154	786
2017	49,138	71,899	115,284	12,540	179,319	60.3	1,994	702	229	946
2016	46,347	68,097	167,360	11,440	176,887	55.0	1,411	707	274	1,012
2015	45,049	65,059	180,092	10,560	112,143	35.2	1,408	724	185	1,033
2014	40,007	65,095	269,604	9,075	105,713	29.5	1,082	766	405	814
2013	42,943	61,923	234,460	8,745	114,804	30.4	1,105	787	410	548

^{*} Includes paper, metals, plastic and glass.

Source of Data: CVWMA Operations Department

Number of Customers by Type – Last Ten Fiscal Years Residential Recycling

Fiscal			Colonial							
Year	Ashland	Chesterfield	Heights	Goochland	Hanover	Henrico	Hopewell	Petersburg	Richmond	Total
2022	1,815	94,352	6,934	1,758	3,825	85,043	8,766	12,316	61,558	_
2021	1,706	94,352	6,701	1,758	3,723	85,007	8,448	11,036	61,558	274,289
2020	1,706	94,930	6,701	1,592	3,723	85,007	8,644	11,025	61,558	274,886
2019	1,465	94,930	6,701	1,637	3,705	85,007	8,644	11,064	61,588	274,741
2018	1,465	94,930	6,701	1,495	3,705	84,909	8,644	11,021	61,521	274,434
2017	1,465	95,007	6,701	1,336	3,553	84,909	8,644	11,064	61,487	274,166
2016	1,465	95,693	6,701	1,242	3,257	84,909	8,644	11,064	61,487	274,462
2015	1,465	97,600	6,635	1,238	2,837	84,909	8,649	11,199	61,487	276,019
2014	1,465	97,585	6,701	1,238	2,837	84,909	-	11,203	61,487	267,425
2013	1,465	97,585	6,701	1,238	2,837	84,528	-	10,998	61,428	266,780

Municipal Solid Waste Collection

Fiscal			Colonial			
Year	Ashland	Chesterfield	Heights	Hopewell	Petersburg	Total
2022	1,844	1,442	6,941	8,768	12,316	29,889
2021	1,770	1,613	6,922	8,548	11,036	29,889
2020	1,706	1,698	6,882	8,545	11,033	29,864
2019	1,706	1,819	6,815	8,678	11,025	30,043
2018	1,465	1,999	6,751	8,644	11,021	29,908
2017	1,465	2,115	6,701	8,644	11,064	29,954
2016	1,465	2,301	6,632	8,648	11,064	30,110
2015	1,465	-	6,635	8,647	11,199	27,946
2014	1,465	-	6,701	8,644	11,203	28,013
2013	1,465	-	6,701	8,644	10,998	27,808

Notes:

Each member locality has the option to choose from a menu of programs that best meet their needs. The above represents the jurisdictions that participate or have participated in the residential recycling and municipal solid waste programs. The other Authority programs are available to all residents of the jurisdiction(s) that participate in those programs.

The City of Petersburg joined the municipal solid waste collection program July 1, 2002 and the residential recycling program in March 2013.

The City of Hopewell implemented residential recycling in July 2014.

The County of Chesterfield implemented the municipal solid waste collection for their tax-relief citizens in August 2015.

Source of Data: CVWMA Operations Department

Number of Employees by Function – Last Ten Fiscal Years

Full-time Equivalent Employees as of June 30, 2022 2021 2020 <u>2019</u> 2018 <u>2017</u> <u>2016</u> <u>2015</u> 2014 2013 **Program Management and Operations** 2.5 2.5 2.5 2.0 2.5 2.5 2.5 2.5 2.5 2.5 **Public Information and Education** 1.0 2.0 1.0 2.0 2.0 2.0 2.0 2.0 1.5 1.5 Finance and Administration 3.0 3.0 3.0 3.0 3.0 3.0 3.0 2.5 3.0 3.5 Call Center Operations 4.0 <u>3.5</u> <u>3.5</u> 3.0 <u>3.0</u> <u>3.5</u> <u>3.5</u> <u>3.5</u> <u>3.5</u> <u>3.5</u> **Total Employees** 10.0 10.5 10.0 <u>11.0</u> <u>11.0</u> <u>11.0</u> 11.0 10.5 10.0 <u>11.0</u>

CVWMA provides recycling and solid waste management programs to its member localities through the use of contracts with the private sector.

Source of Data: CVWMA Administrative Office

Compliance Section



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Audit Committee and Board of Directors Central Virginia Waste Management Authority Richmond, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of each major fund of the Central Virginia Waste Management Authority (the "Authority"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 19, 2022.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 a material weakness. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CERTIFIED PUBLIC ACCOUNTANTS

Brown, Edwards & Company, S. L. P.

Harrisonburg, Virginia October 19, 2022

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY SUMMARY OF COMPLIANCE MATTERS June 30, 2022

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants shown below:

STATE COMPLIANCE MATTERS

Code of Virginia:

Cash and Investment Laws
Debt Provisions
Local Retirement Systems
Procurement Laws
Uniform Disposition of Unclaimed Property Act