Rivanna Solid Waste Authority

Annual Comprehensive Financial Report

Year Ended June 30, 2022

Serving the City of Charlottesville and Albemarle County, Virginia

Front Cover photo is Ivy Transfer Station

RIVANNA SOLID WASTE AUTHORITY

CHARLOTTESVILLE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

Prepared By:

Department of Finance and Administration

RIVANNA SOLID WASTE AUTHORITY

Annual Comprehensive Financial Report
Year Ended June 30, 2022

Table of Contents

BOARD MEMBERS

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Jeff Richardson, Vice-Chair

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Brian Pinkston

Stacey Smalls

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William I. Mawyer, Jr., P.E.

DIRECTOR OF FINANCE/ADMINISTRATION

Lonzy E. Wood, III

GENERAL COUNSEL

Williams, Mullen, Clark & Dobbins, P.C.
Richmond, Virginia

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RIVANNA SOLID WASTE AUTHORITY
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October 24, 2022

To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia

The Annual Comprehensive Financial Report (ACFR) of the Rivanna Solid Waste Authority (Authority) for the fiscal year end June 30, 2022 is submitted herewith. This report has been prepared in conformity with the reporting and accounting standards promulgated by the Government Accounting Standards Board, the Financial Accounting Standards Board, and with the accounting and reporting standards for enterprise funds set out by the Government Finance Officers Association of the United States and Canada, with such modifications as apply to our status as an independently chartered corporation.

Based upon a comprehensive framework of internal control that it has established for this purpose, management assumes responsibility for the completeness and reliability of the information contained in this report. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements, because the cost of each internal control should not outweigh the potential benefit.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

ORGANIZATION AND SERVICES PROVIDED

The Rivanna Solid Waste Authority is a regional non-profit public corporation chartered in 1990 under the Virginia Water and Waste Authorities Act (1950, as amended), that currently provides solid waste disposal and recycling services to the region comprised of the City of Charlottesville (City) and Albemarle County (County). The Authority does not provide collection services, which are managed by the City's Public Service Division and various private haulers who serve customers in both the County and the City. The Authority operates under the terms of a Service Agreement signed October 6, 1990 by the officers of the City Council, the County Board of Supervisors, and the Authority. By this agreement, the Authority is to be the sole provider of any landfills, transfer stations, or other solid waste disposal facilities, including recycling and solid waste energy generation, for all solid waste generated within Charlottesville and Albemarle County. The Authority accepted donation of the assets and liabilities and assumed operational responsibility for the Ivy Sanitary Landfill as of February 1, 1991.

The Authority has determined that it is not part of the reporting entity of either the City of Charlottesville or the County of Albemarle (see Note 1 of the notes to the financial statements). The Board appoints an Executive Director, who manages Authority operations under its direction. The Authority's operations mainly consist of the Ivy Material Utilization Center (IMUC), Municipal Solid Waste (MSW) transfer station, recycling activities and supporting administrative functions.

LOCAL ECONOMIC CONDITIONS

Both Charlottesville and Albemarle County traditionally enjoy low unemployment rates, steady economic growth and high bond ratings. The local economy was dramatically affected by the COVID-19 pandemic like the rest of the state and nation several years ago but appears to have fully recovered. Recently, unemployment rates have started to increase slightly to 2.9% in June of 2022 compared to a low of 2.3% in December of 2021. However, those rates are comparable to pre-pandemic unemployment rate of 2.1%.

The solid waste and recycling programs of the Authority are considered essential services, and none of our facilities were closed during the pandemic. The Administrative offices were closed to the public and were still closed for most of the year, however, most staff were working in the office as business continued for such things as deliveries, processing transactions, mail processing, bid openings, employee onboarding, etc. Some employees were on staggered schedules and others in a work-from-home status. The Authority did not have to furlough any of its employees. There were no impacts to our operations and budget.

The University of Virginia provides a significant buffer against large swings in the economy of our service area. In addition, the Charlottesville urban area is a major retail trade center for the surrounding region. Housing growth remains steady. As inflation increased during the year, interest rates and house activity began to cool off. After a very active market for housing in early 2021, there was a drop in sales of 11% in the second quarter of 2022 compared to a year earlier according to the Charlottesville Area Association of Realtors. Despite the slowdown, housing prices still gained $41,850 per unit with the median price climbing to $417,850.

The Charlottesville-Albemarle area attracts many visitors to its historic sites, and the wine industry has been popular and has served to help benefit the tourism sector of the regional economy. The travel and tourism industry make a substantial contribution to the local economy. The hardest hit sector of the economy from two years of Covid-19 conditions was the leisure and hospitality industry. The number of jobs increased in this sector was 16% over the 12-month comparison. This industry will continue to improve in the coming year.

LONG-TERM FINANCIAL PLANNING

The Authority is committed to the environmental remediation and post-closure care of the former Ivy Landfill. This challenge is immense in terms of management and economic resources. The next ten-year effort in this area for monitoring and remediation will cost an estimated $6 to $7 million.

A memorandum of understanding among the City, the County, the University of Virginia (UVA), and the Authority was signed on January 10, 2005 in which the City, County, and UVA agreed to share in funding the costs of environmental remediation at the former Ivy Landfill which includes implementing the Corrective Action Plan. Obviously, the remediation costs greatly outweigh the ability to generate revenues at Rivanna. This agreement clearly indicates that our associated local governments and UVA are committed to financially supporting this long-term effort to protect and correct adverse impacts on the environment.

MAJOR INITIATIVES

The Authority's major initiatives are focused on its strategic plan and goals to protect the environment and meet the needs of our communities by providing integrated, reliable and convenient solid waste services:

Current Initiatives

- The Authority, through an RFP process, is working with a third-party vendor to develop a solar power facility. This facility will be located at on one of the closed cells at the landfill. Dominion Power is currently working to establish interconnect agreements and a power purchasing agreement with the vendor, Community Power Group. Construction is expected to start in the spring of 2023.

- The Authority is currently working with the County to build a third county convenience center. This center will be located in southern Albemarle and is scheduled to open in January of 2023. The center will collect household waste (MSW) and recycled materials from county residential customers only.

Southern Albemarle Convenience Center

Future Initiatives

- A planning study of the Paper Sort Recycling facility located on Meade Avenue is being developed. This study will examine the current facility, look for ways to optimize its use, and then make some forward-looking projections to see if the facility can accommodate potential future growth or whether a new facility is warranted. It is anticipated that the facility will need to be replaced in the next 2 to 3 year period, and the Ivy location is thought to be the best location for the facility.

See the MD&A for more information.

ACCOUNTING AND BUDGETARY CONTROLS AND FINANCIAL POLICIES

The Authority's accounting records are maintained on the accrual basis of accounting. (See Note 1C of the notes to the financial statements). Internal controls are maintained by segregation of duties and physical and data security systems in all areas of record keeping, billing, cash receipts, disbursements and purchasing authority. These controls are reviewed regularly by staff and are evaluated as part of the annual financial audit (see the Compliance Section of this report).

The Authority is required by the Service Agreement to adopt an annual fiscal year budget for setting tipping fees as well as for fiscal guidance to staff. Budgets include direct costs and provision for equipment replacement as well as allocations of administrative, maintenance, site improvements funding, recycling, and other expenses. The Authority is in a position to offer only those services that can be supported either through fees charged or through local government contributions. Those contributions are governed by various annual agreements with the City and County. Projections of tonnages and expenses by waste category are used to calculate tipping fee requirements for each waste category (see Table 5). A proposed budget incorporating proposed tipping fees and local government contributions is prepared by the Director of Finance and the Executive Director and submitted to the Board of Directors. A public hearing is held on any proposed tipping fee changes with at least fourteen days advance public notice. All budget items lapse at the end of the fiscal year, except encumbrances and contractual commitments.

Budgetary compliance is monitored and reported to the Board by the Director of Finance and Administration and the Executive Director. Projections of both revenues and expenses are understood to reflect anticipated service levels and to incorporate a variety of economic and demographic forecasts. Variances from budget line items are examined at least monthly to assure a direct relation between costs and actual service levels, emergencies or other contingent conditions.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rivanna Solid Waste Authority for its Annual Comprehensive Financial Report for the year ended June 30, 2021. This was the twenty-seventh consecutive year that this governmental unit has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles 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's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The help of staff, especially Kathy Ware, Senior Accountant, and of our certified public accountants is gratefully acknowledged. Such help and the Board of Directors' support and commitment to financial reporting excellence are essential to the preparation of this report.

Respectfully submitted,

William I. Mawyer, PE	Lonzy E. Wood, III, CPA
Executive Director	Director of Finance and Administration

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rivanna Solid Waste Authority
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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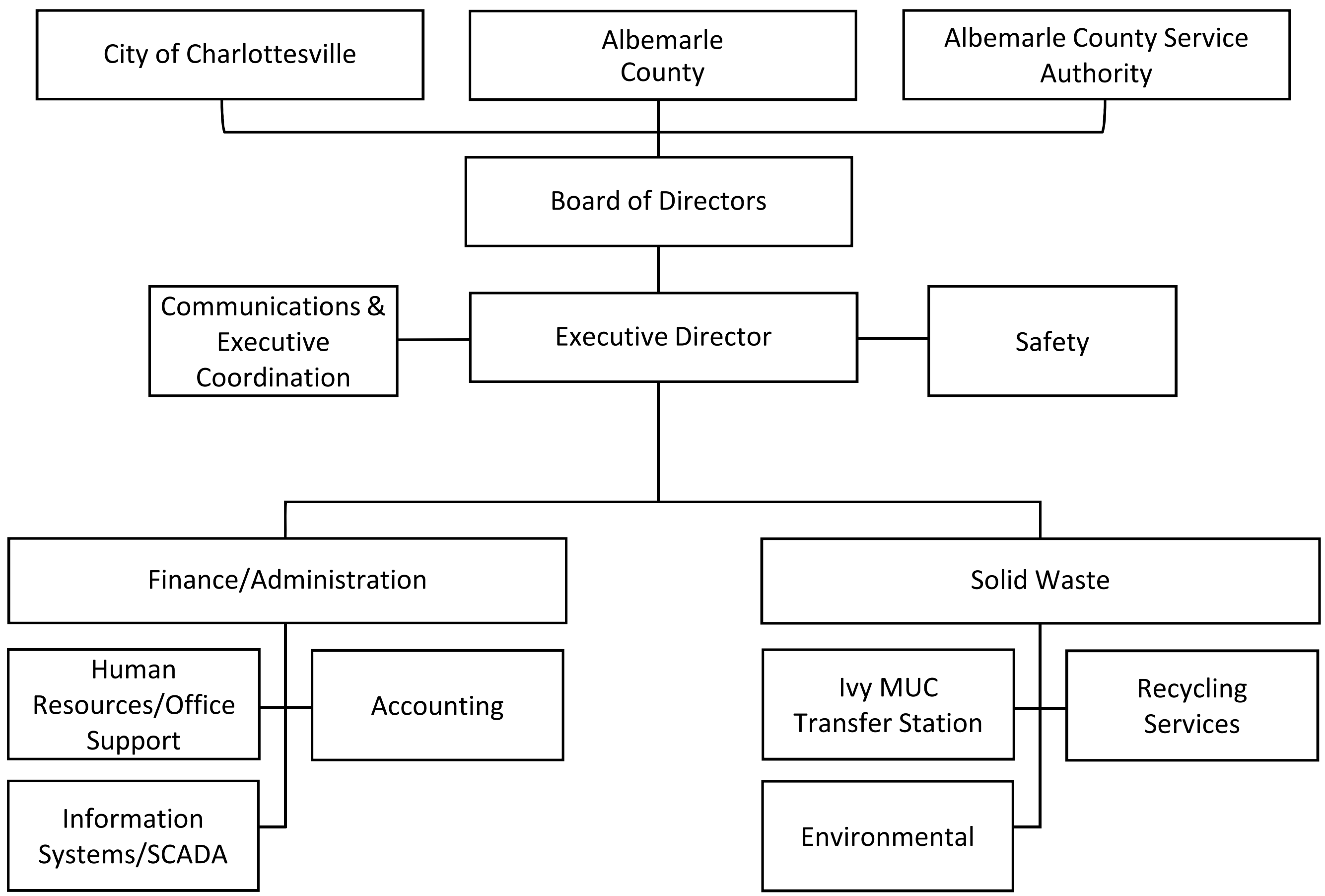
Rivanna Solid Waste Authority

Organizational Chart



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Independent Auditors' Report

To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Rivanna Solid Waste 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 financial position of the business-type activities of Rivanna Solid Waste Authority, as of June 30, 2022, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rivanna Solid Waste 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rivanna Solid Waste 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* 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, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, 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 Rivanna Solid Waste 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 Rivanna Solid Waste 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 and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 auditors' report thereon. Our opinion 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2022, on our consideration of Rivanna Solid Waste 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 Rivanna Solid Waste 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 Rivanna Solid Waste Authority's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
October 24, 2022

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To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia

As management of Rivanna Solid Waste Authority (the Authority), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 through 6 of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Since the Authority is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) enterprise fund financial statements and 2) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Enterprise fund financial statements. The enterprise fund financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Authority's assets, deferred outflow of resources, liabilities, and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The basic enterprise fund financial statements can be found on pages 24 through 27 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 29 through 54 of this report.

Required supplementary information. This report also includes required supplementary information concerning the Authority's progress in funding its obligation to provide pension and other postemployment benefits to its employees. It is located immediately following the notes to financial statements.

Financial Highlights

- The Authority's total net position increased by $1.1 million (15%) this year, which indicates an improvement in its overall financial position.

- Ivy environmental expenses decreased by $1.3 million primarily due to a $1 million adjustment to decrease accrued landfill closure and post-closure costs.

Financial Highlights

- Total operating revenues increased $852,000 this year, primarily due to receiving increased tonnages of domestic waste and higher market prices received for recycling materials.

- Transfer Station operating expenses increased by $435,000 due to the added costs of processing more waste.

- No capital grants revenue was received this year compared to $295,000 last year, because construction of the Ivy Convenience Center capital project was completed in June 2021.

Financial Analysis

The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at the close of the most recent fiscal year by $8.6 million. Total net position increased by $1.1 million this year. Unrestricted net position, although negative the past few years, increased $820,000 this year, mainly due to a $1 million reduction in accrued landfill closure and post-closure costs. Estimated costs of landfill closure and post-closure care for many years to come have been recorded as liabilities and is the cause of the negative unrestricted net position. However, these costs are funded on a pay-as-you-go basis through financial assurance provided by local government contributions. Net position invested in capital assets increased by $177,000 this year due to capital expenditures for new and replacement equipment. The Authority uses these capital assets to provide services to its customers, so these assets are not available for future spending.

	Net Position	
	2022	2021
Current and other assets	$ 3,928,314	$ 3,554,390
Capital assets	10,541,841	10,364,788
Total assets	$ 14,470,155	$ 13,919,178
Deferred outflows of resources	$ 187,859	$ 259,584
Current liabilities	$ 1,364,406	$ 1,088,007
Noncurrent liabilities	4,267,508	5,644,783
Total liabilities	$ 5,631,914	$ 6,732,790
Deferred inflows of resources	$ 471,624	$ 1,910
Net position:		
Investment in capital assets	$ 10,541,841	$ 10,364,788
Restricted for net pension asset	112,534	-
Unrestricted	(2,099,899)	(2,920,726)
Total net position	$ 8,554,476	$ 7,444,062

Total operating revenues have seen significant growth this year with a 28% increase. Tipping fees for municipal solid waste (MSW) increased $266,200 this year, and fees for Clean Fill and Grindable Vegetative materials increased $512,200 this year. These increases are a result of the improved capacity to process waste at the new transfer station and a new Clean Fill program mentioned later. Recycling revenues also increased $124,000 due to higher average market prices. The Review of Operations section provides more details on these increases.

Financial Analysis: (Continued)

Contributions received from the City of Charlottesville, the County of Albemarle, and the University of Virginia to fund remediation and operating costs increased by $127,000 this year. The contributions were based on changes in estimated costs budgeted for the year. The Authority does not generate enough revenues to fund the net remediation or operating costs; therefore, The County and City contributed $2,769,000 this year, as budgeted, to help fund that estimated net loss, which was 3% less than the prior year.

Transfer station expenses increased $434,800 (16%) this year due to large increases in waste received. See the Review of Operations section for more information.

	Changes in Net Position	
	2022	2021
Revenues:		
Operating revenues:		
Tipping fees	$ 3,427,808	$ 2,670,483
Recycling revenues	293,904	169,958
Other revenues	217,825	246,668
Nonoperating revenues:		
Local government contributions - remediation support	970,494	858,997
Local government contributions - operations support	1,485,012	1,469,388
Grants	40,120	45,607
Interest earned	7,704	6,268
Forestry revenue	63,204	4,500
Other income	1,200	504
Gain on disposal of assets	2,000	53,907
Total revenues	$ 6,509,271	$ 5,526,280
Expenses:		
Operating expenses:		
Administration	$ 808,381	$ 773,225
Transfer station	3,190,458	2,755,654
Ivy Material Utilization Center	551,280	427,544
Ivy environmental	(267,428)	1,046,934
Recycling programs	873,618	830,496
Depreciation	242,548	201,601
Total expenses	$ 5,398,857	$ 6,035,454
Income before capital grants	$ 1,110,414	$ (509,174)
Capital grants	$ -	$ 294,613
Change in net position	$ 1,110,414	$ (214,561)
Net position, beginning of year	7,444,062	7,658,623
Net position, end of year	$ 8,554,476	$ 7,444,062

Capital Asset and Debt Administration

Capital Assets - The Authority's investment in capital assets net of accumulated depreciation increased by 177,100 this year. This was mostly due to the replacement of older equipment. The Authority purchased equipment costing $407,700 this year and disposed of equipment with a remaining book value of $44,000. Depreciation of $242,500 was recorded in fiscal year 2022, which is $41,000 higher than last year. Below is a comparison of the items that make up net capital assets at the end of the past two fiscal years.

	2022	2021
Land, land improvements and landfill site	$ 5,943,439	$ 5,943,439
Construction in progress	56,215	31,164
Buildings and fixtures	3,334,492	3,334,492
Vehicles and equipment	1,207,695	1,055,693
Total capital assets, net	$ 10,541,841	$ 10,364,788

Additional information about the Authority's capital assets may be found in Notes 3 and 4 of the notes to the financial statements.

Long-Term Debt - The Authority has a $4.6 million obligation to close the transfer station and landfill site and to perform post-closure monitoring, a decrease of $986,000 compared to last year. The accrued landfill corrective action and post-closure costs decreased by $1,010,000, and accrued transfer station closure costs increased by $25,000 due to revised projections of future costs. More detailed information on the Authority's long-term liabilities is presented in the Review of Operations section and in Notes 7 and 9 of the notes to the financial statements.

Review of Operations

General: This Ivy transfer station has been in operation for several years and has shown to be a high-demand facility for waste disposal. The transfer station was constructed to replace the old 1990's era open-air transfer station. The Virginia Department of Environmental Quality (DEQ)required the replacement of the older facility because it did not meet modern permitting requirements.

The new transfer station has a capacity to process 450 tons of solid waste per day and is designed to more efficiently handle traffic flow to help eliminate customer waiting times for offloading their waste.

The Authority also opened the new Ivy Convenience Center for receiving recycling materials. The center was completed at the beginning of FY 2021 and is free for the public to use. The center is located on the site of the old transfer station. The Authority is working with the County to design and construct a third recycling center in southern Albemarle. Albemarle County is the sole financial supporter of the Ivy center and soon to be constructed southern center.

This year also saw several environmental projects being completed. The Authority has a multi-decade commitment for closure and post-closure care related to the old landfill/site that the city, county and UVa financially support which is mentioned in the Environmental Remediation section below.

With the completion of some of these larger construction projects (landfill recapping, ditch regrading, etc.), much of our efforts have turned toward preparing the site for the next 10 to 20 years of operations. These efforts include an evaluation of the 20-year-old leachate management system, design and construction of a new baling facility to replace the current old and undersized Paper Sort Facility, as well as a study to evaluate how to phase operation of the large clean fill disposal program for the next several decades.

Review of Operations: (Continued)

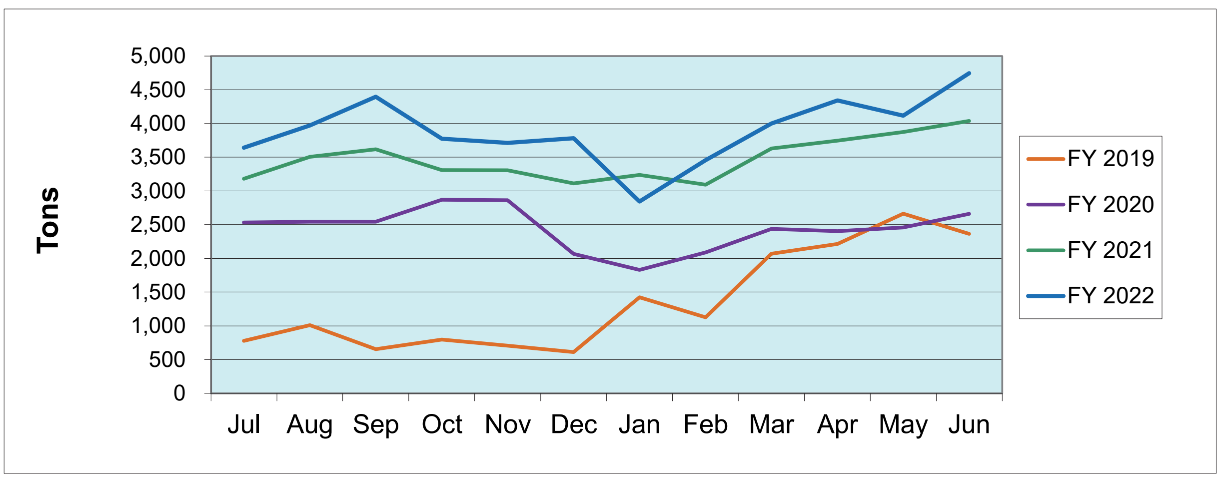
Municipal Solid Waste Transfer Station: The MSW transfer station in Ivy accepts MSW and small loads of construction debris from residential and commercial haulers. The waste is loaded into top loading trailers, and a contractor hauls and disposes of the waste at a contracted facility. Because of the more efficient customer traffic flow design and less wait times mentioned above, several commercial haulers returned to Ivy for their waste disposal needs.

As you can see in the table below, tonnages received have increased significantly over the last few years. This was the third full year of operating the new transfer station. MSW tipping fee revenues increased $266,200 (12%) from the previous year due to a 12% increase in MSW tonnages received.

Municipal Solid Waste Annual Tonnages	
FY 2019	16,404.44
FY 2020	29,364.31
FY 2021	41,634.25
FY 2022	46,773.37

The Authority received approval from the DEQ for an increase in the per day tonnage limit of the facility. It was increased from 300 tons per day to 450 tons per day on average for acceptance of MSW. The graph below also gives a good indication of the increased usage of the Ivy transfer station.

Ivy MSW Transfer Station Tonnages FY 2019-2022

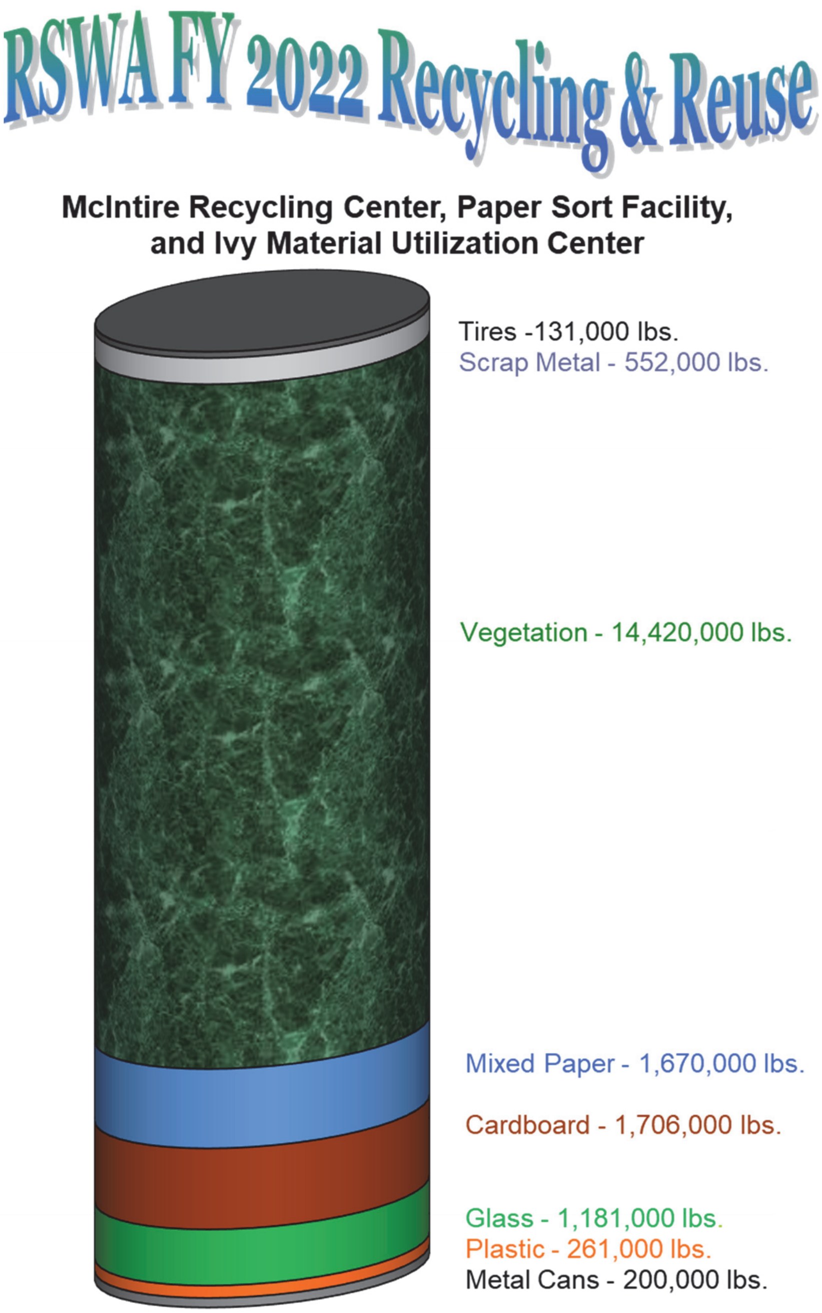


Ivy Material Utilization Center (IMUC): Waste items are received at the IMUC, where most of the items are processed for sale or reuse, such as metals, tires, and grindable vegetative material. Clean fill, which is inert material, is accepted as well. Tipping fees from these items generated $871,800 in gross revenues for the Authority this year. This was a 114% increase or $463,700 increase over last year. The Authority implemented a large quantity Clean Fill (soil, concrete without extended rebar, asphalt) program that generated $360,000 of that additional revenue. This new program was implemented to meet the needs of the construction community with large clean fill deposal needs. Contractors could apply to RSWA to reserve a 90-day window where they could dispose of at least 10,000 tons of clean fill at a reduced tipping fee ($3.50 per ton versus the normal rate of $10.00 per ton). To participate, the contractor assumes the responsibility to manage all of the clean fill placement, compaction, maintenance of stormwater controls and site roadways, and establishment of vegetative cover when the fill areas are complete. Vegetative materials generated $152,100 in additional revenues generally related to the winter storm in early 2022. The resale of items such as scrap metal and mulch resulted in revenues of $74,600, which was a 34% decrease. The IMUC continues to have the semiannual household hazardous waste (HHW) events for collection of paint, batteries, and other HHW, which cost $141,600 this year. It is a very popular program that is financially supported by the county and city.

Review of Operations: (Continued)

The Authority continued to offer the organic compost collection and receiving program at IMUC. This program is mostly a working partnership with UVa Facilities Management to receive compostable food waste materials from UVa sources and contract with a private vendor to compost the materials for end users off site. The Authority was also able to provide bins to the general public at no charge to collect compostable materials. This program generated $66,900 in revenues and processed approximately 376 tons of food waste.

Recycling: The Authority assumed operational responsibility as of February 1992 for the McIntire Road Recycling Center (a drop-off facility located in the City). This center collects many of the traditional items (paper, glass, plastic, and cans) for recycling and other non-traditional items, like phone books, and Christmas trees.



20,121,000 Pounds of Waste Diverted for Reuse or Recycling

The Paper Sort Facility functions as a transfer station where the Authority receives newspaper, magazines, card-board, and file stock (fiber products), metal cans, and plastic from the McIntire recycling center, Ivy MUC, other smaller collection sites in the County, and private haulers. The baler is used to ready the cardboard, boxboard, and plastic for transportation. Contracts are in place to sell and transport these products to mills and processors, and many of our contractors consider our recycled material to be high quality relative to the material and the handling process (source separating and compact baling). This minimizes contamination of the materials. Recycling materials received for FY 2022 were nearly stagnant compared to the year before with only 62 additional tons collected. However, prices received for recycling materials increased significantly. The average price received for fiber products increased an average of 163% this year over last year. Recycling revenues generated for the year were $293,900, which was an increase of $123,900 from the previous year. This was mainly caused by the market prices for recycling materials.

The graphic on the left shows the amounts of all materials that were diverted from the waste stream by both the recycling operations and the operations at Ivy in FY 2022. For more information, see Table 4 in the Statistical Section.

Review of Operations: (Continued)

Administration: By mutual agreement of the respective Boards of Directors, the Authority shares administrative staff and office space with the Rivanna Water and Sewer Authority and pays an allocated share of joint expenses. Administrative procedures were implemented to ensure proper segregation of funds, purchasing activity, personnel and similar matters. The Solid Waste Authority paid the Water Authority $554,000 for this joint administrative service this year, as budgeted, to fund projected administrative expenses.

Environmental Remediation:

The Authority has long-term obligations for the remediation of the Ivy Landfill. In the late 1990s, it was confirmed that groundwater contamination had occurred at Ivy. A remediation program was developed that began with a “pump and treat” system on the west side. This effort was superseded in 2006 by a site-wide enhanced bioremediation program. Enhanced Bioremediation included the injection of carefully selected substrate material into the groundwater to enhance the natural chemical reduction of the contamination to clean groundwater. In July 2013, the injection of substrate was suspended to allow the long-term effects of the groundwater remediation efforts to be evaluated. Groundwater monitoring continues to show that groundwater contamination remains on-site, stable, and that off-site receptors are protected from impacts. Substrate injections may be resumed as needed to maintain control of the groundwater plumes.

The Authority has long-term obligations for the remediation of the Ivy Landfill. In the late 1990s, it was confirmed that groundwater contamination had occurred at Ivy. A remediation program was developed that began with a “pump and treat” system on the west side. This effort was superseded in 2006 by a site-wide enhanced bioremediation program. Enhanced Bioremediation included the injection of carefully selected substrate material into the groundwater to enhance the natural chemical reduction of the contamination to clean groundwater. In July 2013, the injection of substrate was suspended to allow the long-term effects of the groundwater remediation efforts to be evaluated. Groundwater monitoring continues to show that groundwater contamination remains on-site, stable, and that off-site receptors are protected from impacts. Substrate injections may be resumed as needed to maintain control of the groundwater plumes.

This is part of the Authority’s continued proactive strategy to meet the ongoing obligations and regulatory requirements at the Ivy Landfill. Through an extensive program of groundwater monitoring and remediation activities, historical contamination has been constrained on-site and continues to be closely monitored to observe the efficacy of the program and protection of human and ecological health.

Continued maintenance of the closed landfill cells is ongoing. This includes maintenance of stormwater ditches and erosion control structures as well as the landfill caps themselves.

A recapping project completed in 2021 resolved localized subsidence in one of the landfill cells. This effort restored positive stormwater drainage off of the cell, enhanced landfill gas recovery, and significantly reduced leachate production at the closed landfill. This recapping may be necessary in the future if settlement of buried wastes indicate that the landfill caps may be compromised. These recapping efforts will appear in future budget estimates and are expected to occur at a frequency of every 5 to 10 years.

In a similar manner, the on-site stormwater conveyances (ditches and berms) can suffer from subsurface settlement and siltation of sediment. They have undergone periodic repair so that they continue to direct stormwater away from the waste disposal areas These repair projects can be relatively large, like the $200,000 project completed in 2021, or smaller like the periodic ditch maintenance efforts completed using existing staff and equipment.

Review of Operations: (Continued)

Environmental Remediation: (Continued)

The DEQ this year prompted the Authority to update our corrective action/post-closure care plans that affect the financial assurance calculation. Financial assurance is required for all closed landfills to meet the estimated obligations should the Authority ever “walk away” from its active care and obligations for remediation. This estimate was recorded as a liability decades ago and has been slowly amortized since then. The estimate approved by the DEQ was reduced this year, therefore, reducing that liability on the financial statements by $1,010,000. This causes a negative Ivy environmental expense on the Statement of Revenues, Expenses and Changes in Net Position of ($267,000) even though actual funds expended on remediation activities was $743,000.

Requests for Information

This financial report is designed to provide a general overview of the Authority’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at 695 Moores Creek Lane, Charlottesville, Virginia 22902-9016.

Basic Financial Statements

Statement of Net Position
At June 30, 2022

ASSETS		
Current assets:		
Cash and cash equivalents (Notes 1 & 2)	$	3,253,100
Accounts receivable		410,772
Total current assets	$	3,663,872
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents (Notes 1 & 2)	$	151,908
Total restricted assets	$	151,908
Other Assets:		
Net Pension Asset (Note 6)	$	112,534
Total other assets	$	112,534
Capital assets (Note 3):		
Land and improvements	$	5,943,439
Buildings and fixtures		3,740,250
Landfill site		5,665,500
Ivy landfill equipment		1,275,631
Vehicles		825,469
Recycling facilities equipment		432,901
Accumulated depreciation		(7,397,564)
Subtotal	$	10,485,626
Construction in progress (Note 4)	$	56,215
Net capital assets	$	10,541,841
Total noncurrent assets	$	10,806,283
Total assets	$	14,470,155
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension (Note 6)	$	154,118
Deferred outflows - OPEB - group life insurance (Note 11)		33,741
Total deferred outflows of resources	$	187,859

The accompanying notes to financial statements are an integral part of this statement.

Statement of Net Position (continued)
At June 30, 2022

LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$	929,045
Accrued landfill corrective action and post-closure costs		374,188
Compensated absences - current portion (Notes 5 & 9)		61,173
Total current liabilities	$	1,364,406
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued transfer station closure costs (Note 7)	$	151,908
Accrued corrective action costs (Note 7)		1,363,319
Accrued post-closure monitoring costs (Note 7)		2,701,751
Net OPEB liability (Note 11)		50,530
Total noncurrent liabilities	$	4,267,508
Total liabilities	$	5,631,914
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension (Note 6)	$	452,266
Deferred inflows - OPEB - group life insurance (Note 11)		19,358
Total deferred inflows of resources	$	471,624
NET POSITION		
Net position:		
Investment in capital assets	$	10,541,841
Restricted for net pension asset		112,534
Unrestricted		(2,099,899)
Total net position	$	8,554,476

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022

Operating revenues:		
Tipping fees	$	3,427,808
Recycling revenues		293,904
Other revenues		217,825
Total operating revenues	$	3,939,537
Operating expenses:		
Administration	$	808,381
Transfer station		3,190,458
Ivy Material Utilization Center		551,280
Ivy environmental		(267,428)
Recycling programs		873,618
Depreciation		242,548
Total operating expenses	$	5,398,857
Operating income (loss)	$	(1,459,320)
Nonoperating revenues (expenses):		
Interest earned	$	7,704
Local government contributions - remediation support		970,494
Local government contributions - operations support		1,485,012
Grants		40,120
Forestry revenue		63,204
Other income		1,200
Gain on disposal of assets		2,000
Total nonoperating revenues (expenses)	$	2,569,734
Change in net position	$	1,110,414
Net position, beginning of year		7,444,062
Net position, end of year	$	8,554,476

The accompanying notes to financial statements are an integral part of this statement.

Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities:	
Receipts from customers and users	$ 3,930,096
Payments to suppliers	(4,101,693)
Payments to and on behalf of employees	(1,731,246)
Net cash provided by (used for) operating activities	$ (1,902,843)
Cash flows from noncapital financing activities:	
Contributions from local governments	$ 2,455,506
Grant income	40,120
Net cash provided by (used for) noncapital financing activities	$ 2,495,626
Cash flows from capital and related financing activities:	
Additions to capital assets	$ (414,942)
Proceeds from the disposal of capital assets	2,000
Net cash provided by (used for) capital and related financing activities	$ (412,942)
Cash flows from investing activities:	
Interest received	$ 7,704
Net cash provided by (used for) investing activities	$ 7,704
Increase (decrease) in cash and cash equivalents	$ 187,545
Cash and cash equivalents at beginning of year (including $127,164 reported in restricted accounts)	3,217,463
Cash and cash equivalents at end of year (including $151,908 reported in restricted accounts)	$ 3,405,008
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	$ (1,459,320)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	242,548
Other nonoperating income	64,404
Changes in operating assets and liabilities, deferred outflows of resources and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(73,845)
(Increase) decrease in net pension asset	(112,534)
Increase (decrease) in accounts payable and accrued expenses	369,672
Increase (decrease) in net OPEB liability	(13,387)
Increase (decrease) in other long-term obligations	(996)
Increase (decrease) in compensated absences	21,236
Increase (decrease) in net pension liability	(496,370)
(Increase) decrease in deferred outflows of resources - pension	74,357
Increase (decrease) in deferred inflows of resources - pension	452,266
(Increase) decrease in deferred outflows of resources - OPEB - GLI	(2,632)
Increase (decrease) in deferred inflows of resources - OPEB - GLI	17,448
Increase (decrease) in accrued landfill and transfer station obligations	(985,690)
Net cash provided by (used for) operating activities	$ (1,902,843)

The accompanying notes to financial statements are an integral part of this statement.

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NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Rivanna Solid Waste Authority is a jointly governed organization formed by the City of Charlottesville and the County of Albemarle pursuant to the Virginia Water and Waste Authorities Act (Code of Virginia, 1950 as amended). The Authority was formed to develop regional garbage and refuse disposal, as such terms are defined in Section 15.2-5101 of the Act, including development of systems and facilities for recycling, waste reduction and disposal alternatives with the ultimate goal of acquiring, financing, constructing, and/or operating and maintaining regional solid waste disposal areas, systems and facilities, all pursuant to the provisions of the Act. The Authority began operations on February 1, 1991.

A. Financial Reporting Entity

The Rivanna Solid Waste Authority provides the services mentioned above to the citizens of its participating governments, City of Charlottesville and County of Albemarle. However, these participating governments do not have a financial interest in or responsibility to the Authority.

The Authority's governing body is comprised of three members appointed by the City, three members appointed by the County, and one member who is jointly appointed by the City and County. Therefore, none of the participants appoints a voting majority of board members.

The Authority is perpetual. No participating government has access to its resources or surpluses, nor is any participant liable for the Authority's debts or deficits. The Authority also has the ability to finance its capital projects through user charges or the sale of revenue bonds.

Based on the above representations, the Rivanna Solid Waste Authority has been determined to be a jointly governed organization of the City of Charlottesville and County of Albemarle. The Authority is not a component unit of either of the participating governments.

For purposes of reporting entity disclosure, it should be noted that a separate entity, the Rivanna Water & Sewer Authority, provides wholesale water and sewer services to the City of Charlottesville and the Albemarle County Service Authority. Although certain administrative employees provide services to both Authorities, each Authority is operationally and legally independent.

B. Basic Financial Statements

The financial statements include a Management's Discussion and Analysis (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

Since the Authority is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Authority, the basic financial statements and required supplementary information consist of:

- Management's discussion and analysis

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Basic Financial Statements (Continued)

- Enterprise fund financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to Financial Statements

- Required Supplementary Information
  - Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
  - Schedule of Employer Contributions-Pension Plan
  - Notes to Required Supplementary Information-Pension Plan
  - Schedule of Authority's Share of Net OPEB Liability-Group Life Insurance Plan
  - Schedule of Employer Contributions-Group Life Insurance Plan
  - Notes to Required Supplementary Information-Group Life Insurance Plan

C. Basis of Accounting

The Rivanna Solid Waste Authority operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority’s principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents

The Authority's Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the Authority considers their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

E. Restricted Assets

Certain cash accounts held by the Authority are set aside for landfill and transfer station closure and landfill post-closure monitoring costs. The accounts are properly classified as restricted assets on the statement of net position. Regulations require the Authority to maintain the restricted accounts for the landfill and transfer station closure and landfill post-closure monitoring costs.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than $10,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The City of Charlottesville and the County of Albemarle contributed certain landfill assets to the Authority. These assets are all reported at their acquisition value on the date donated. Landfill vehicles and equipment are valued based upon estimates by Authority personnel. Landfill cells and the landfill site were valued by the Authority's consulting engineer. The engineer also estimated the accrued landfill closure and related expenses. The remaining land area at the landfill site is reported at its value as a landfill site. If the Authority determines that the Ivy site will no longer be used for future waste disposal, the value will be adjusted to its fair value.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of landfill cell development and site costs is recorded based on remaining units of capacity.

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

Assets	Years
Buildings & Fixtures	15 to 40
Vehicles and equipment	5 to 15

Total depreciation for the years ended June 30, 2022 and 2021 was $242,548 and $201,601, respectively.

G. Other Significant Accounting Policies

Accounts receivable are stated at book value utilizing the direct write-off method for immaterial uncollectible accounts.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

H. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

I. Inventory

Consumption of materials and supplies is recorded as an expense when used. No inventory amounts are recorded as an asset, as available inventories are not significant.

J. Use of Estimates

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

K. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

L. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

M. Reclassification

Certain amounts in previously issued financial statements have been restated to conform to current year classifications.

N. Closure and Post-Closure Obligations

The Authority records all estimated closure costs for existing cells as a liability. Upon final closure of the landfill site, the Authority is then responsible, under current Federal regulations, for maintaining the closed site for the following thirty years.

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension liability and net OPEB liability and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension liability and net OPEB liability measurement date. For more detailed information on these items reference the related notes.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. Certain items related to the measurement of the net pension liability and net OPEB liability are reported as deferred inflows of resources. For more detailed information on these items reference the related notes.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's fiduciary net 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.

NOTE 1–SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Q. Other Postemployment Benefits (OPEB)

Group Life Insurance

For purposes of measuring the net GLI Plan OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Plan OPEB and the additions to/deductions from the VRS GLI OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2–DEPOSITS AND INVESTMENTS:

Deposits

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.

Investments

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 that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard and Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

The Authority does not have a formal investment policy that addresses credit risk or interest rate risk.

NOTE 2–DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

The Authority's rated debt investments as of June 30, 2022 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale.

Authority's Rated Debt Investments' Values - 2022

Rated Debt Investments	Fair Quality Ratings AAAm
Local Government Investment Pool	$ 1,673,261
Total	$ 1,673,261

Interest Rate Risk

Investment Maturities (in years) - 2022

Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	$ 1,673,261	$ 1,673,261
Total	$ 1,673,261	$ 1,673,261

External Investment Pool

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

NOTE 3–CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2022 follows:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated:				
Land and improvements	$ 5,943,439	$ -	$ -	$ 5,943,439
Construction in progress	31,164	56,215	31,164	56,215
Total capital assets not being depreciated	$ 5,974,603	$ 56,215	$ 31,164	$ 5,999,654
Other Capital Assets:				
Buildings & fixtures	$ 3,740,250	$ -	$ -	$ 3,740,250
Accumulated depreciation	(405,758)	(116,659)	-	(522,417)
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	(5,665,500)	-	-	(5,665,500)
Ivy Landfill equipment	1,297,893	293,950	316,212	1,275,631
Accumulated depreciation	(736,015)	(64,804)	(316,212)	(484,607)
Vehicles	755,599	113,770	43,900	825,469
Accumulated depreciation	(394,471)	(46,626)	(30,730)	(410,367)
Recycling facilities equipment	432,901	-	-	432,901
Accumulated depreciation	(300,214)	(14,459)	-	(314,673)
Other capital assets, net	$ 4,390,185	$ 165,172	$ 13,170	$ 4,542,187
Capital assets, net	$ 10,364,788	$ 221,387	$ 44,334	$ 10,541,841

NOTE 4–CONSTRUCTION IN PROGRESS:

At June 30, 2022 the Authority had $56,215 construction in progress, respectively.

Details of construction in progress for the year ended June 30, 2022, are as follows:

	Balance July 1, 2021	Cost of Construction	Expense/ Transfer to Capital Assets	Balance June 30, 2022
Pond Repair	$ 31,164	$ -	$ 31,164	$ -
Above Ground Storage Tanks	-	11,838		11,838
Southern Convenience Center	-	44,377		44,377
Total	$ 31,164	$ 56,215	$ 31,164	$ 56,215

NOTE 5–COMPENSATED ABSENCES:

Authority regular employees earn vacation leave each month at a scheduled rate in accordance with the years of service and sick leave at the rate of eight hours per month. Accumulated unpaid vacation amounts are accrued when incurred. At June 30, 2022, the liability for accrued vacation leave was $61,173.

NOTE 6–PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan 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.

NOTE 6–PENSION PLAN: (CONTINUED)

Benefit Structures

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, as detailed below.

a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

NOTE 6–PENSION PLAN: (CONTINUED)

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

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:

Inactive members or their beneficiaries currently receiving benefits	18
Inactive members:	
Vested inactive members	2
Non-vested inactive members	9
Long-term disability (LTD)	0
Inactive members active elsewhere in VRS	4
Total inactive members	15
Active members	17
Total covered employees	50

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 Authority's contractually required employer contribution rate for the year ended June 30, 2022 was 9.59% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

NOTE 6–PENSION PLAN: (CONTINUED)

Contributions: (Continued)

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 Authority were $85,680 and $74,214 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The net pension liability (NPL) 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. For the Authority, the net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Authority'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.

Inflation	2.5%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

NOTE 6–PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

Mortality rates: (Continued)

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NOTE 6–PENSION PLAN: (CONTINUED)

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)	Long-Term Target Asset 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%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year expected 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 return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was 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 expected inflation of 2.50%.

NOTE 6–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; the Authority was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers are assumed to continue 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 Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	$ 2,993,230	$ 2,496,860	$ 496,370
Changes for the year:			
Service cost	$ 72,286	$ -	$ 72,286
Interest	194,972	-	194,972
Differences between expected and actual experience	(214,454)	-	(214,454)
Assumption changes	124,079	-	124,079
Contributions - employer	-	74,212	(74,212)
Contributions - employee	-	38,454	(38,454)
Net investment income	-	674,788	(674,788)
Benefit payments, including refunds	(209,521)	(209,521)	-
Administrative expenses	-	(1,730)	1,730
Other changes	-	63	(63)
Net changes	$ (32,638)	$ 576,266	$ (608,904)
Balances at June 30, 2021	$ 2,960,592	$ 3,073,126	$ (112,534)

NOTE 6–PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Rivanna Solid Waste Authority's Net Pension Liability	$ 153,044	$ (112,534)	$ (341,351)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Authority recognized pension expense of $3,397. At June 30, 2022, the Authority 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	$ -	$ 118,286
Change in assumptions	68,438	-
Net difference between projected and actual earnings on pension plan investments	-	333,980
Employer contributions subsequent to the measurement date	85,680	-
Total	$ 154,118	$ 452,266

NOTE 6–PENSION PLAN: (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

$85,680 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date 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		
2023	$	(118,770)
2024		(85,365)
2025		(77,778)
2026		(101,915)
2027		-
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report 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.

NOTE 7–CLOSURE AND POST-CLOSURE CARE COSTS:

State and federal laws and regulations require the Authority to place a final cover on its Ivy landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although the landfill has stopped operating as a landfill, the Authority must recognize the estimated costs of closure corrective action and post-closure care as a liability on the financial statements. As work is completed, the liability recognized by the Virginia Department of Environmental Quality is reduced. The Authority is implementing a corrective action plan to correct detected environmental issues at the landfill. The amount recorded as accrued corrective action costs is $1,514,799 at June 30, 2022. The $2,924,459 reported as post-closure monitoring liability at June 30, 2022 represents the cumulative amount reported to date based on the use of 100% of the currently permitted cells at the landfill. In addition to the costs reported for the Ivy landfill site, the Authority has accrued closure costs for the Ivy transfer station in the amount of $151,908. Total closure corrective action and post-closure care costs and post-closure monitoring costs accrued at June 30, 2022 are $4,591,166. The Authority will recognize any remaining costs of closure corrective action and post-closure care and post-closure monitoring as the closure is completed. These amounts are based on what it would cost to perform all closure and post-closure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 7–CLOSURE AND POST-CLOSURE CARE COSTS: (CONTINUED)

The Authority is required by state and federal laws and regulations to meet certain financial assurance requirements. The Authority has opted to meet these requirements through agreements with the participating localities, County of Albemarle and City of Charlottesville. The agreement provides guarantees by the County of Albemarle in the amount of $2,737,401 and the City of Charlottesville in the amount of $1,506,632 for a total guarantee of $4,244,033. The Authority expects that future inflation costs will be paid from interest earned on the annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or other sources. Additionally, the Authority has set aside a cash account restricted for payment of the transfer station closure costs in the amount of $151,908.

On behalf of the Authority, the City of Charlottesville and the County of Albemarle demonstrate financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with section 9VAC-20-70 of the Virginia Administrative Code.

NOTE 8–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 joined together with other local governments in the Commonwealth to form the Virginia Risk Sharing Association, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The Authority pays an annual premium to the pool for its workers compensation, property and liability insurance. The Agreement for Formation of the association provides that the association will be self-sustaining through member premiums. Settled claims have not exceeded pool coverage in any of the past three fiscal years.

NOTE 9–SUMMARY OF LONG-TERM OBLIGATIONS:

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

	Balance July 1, 2021*	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Landfill and transfer station closure/ corrective action/post-closure costs	$ 5,576,856	$ -	$ 985,690	$ 4,591,166	$ 374,188
Compensated absences	39,937	96,698	75,462	61,173	61,173
VERIP liability	996		996	-	-
Net OPEB liability	63,917	37,130	50,517	50,530	-
Totals	$ 5,681,706	$ 133,828	$ 1,112,665	$ 4,702,869	$ 435,361

* The net pension liability previously reported as of June 30, 2021 decreased for fiscal year 2022 and is reported as a net pension asset as of June 30, 2022.

NOTE 10–OTHER POSTEMPLOYMENT BENEFITS–HEALTH INSURANCE:

The Authority previously provided post-retirement healthcare benefits for employees who were eligible under a single employer defined benefit plan. The Plan and benefits have been terminated. Therefore, the Authority has no assets or liabilities to report as of June 30, 2017 or subsequent years.

NOTE 11–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,722 as of June 30, 2022.

NOTE 11–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation, based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $5,522 and $4,803 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the entity reported a liability of $50,530 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program Plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.00434% as compared to 0.00383% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of $7,001. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

NOTE 11–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB: (Continued)

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,763	$ 385
Net difference between projected and actual earnings on GLI OPEB plan investments	-	12,060
Change in assumptions	2,786	6,913
Changes in proportion	19,670	-
Employer contributions subsequent to the measurement date	5,522	-
Total	$ 33,741	$ 19,358

$5,522 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30,	
2023	$ 2,442
2024	3,003
2025	3,028
2026	(433)
2027	821
Thereafter	

NOTE 11–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total GLI OPEB liability 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. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation	3.50%–5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Non-Largest Ten Locality Employers – General Employees:

Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

NOTE 11–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Mortality Rates – Non-Largest Ten Locality Employers – General Employees: (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	$	1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

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

NOTE 11–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 System's 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)	Long-Term Target Asset 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%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides 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 return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was 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 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

NOTE 11–GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability 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:

		Rate	
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the GLI Plan Net OPEB Liability	$ 73,826	$ 50,530	$ 31,717

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report 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.

NOTE 12–RELATED PARTIES:

Rivanna Solid Waste Authority (RSWA) and Rivanna Water and Sewer Authority (RWSA) share office space and administrative staff. Procedures are in place to ensure proper segregation of funds, purchasing activity, personnel and similar matters. RSWA pays RWSA monthly for its share of joint administrative expenses, which totaled $554,004 this fiscal year and $1,305 for leachate acceptance and treatment. Rivanna Solid Waste Authority billed Rivanna Water & Sewer Authority $28,027 for hauling and tipping fees. RSWA owed RWSA $69,424 as of June 30, 2022.

NOTE 13–VOLUNTARY EARLY RETIREMENT INCENTIVE PROGRAM:

Rivanna Solid Waste Authority has a Voluntary Early Retirement Incentive Program (VERIP) which provides for monthly payments to eligible employees for a period of up to five years after early retirement or until age 65, whichever comes first. Participants in the VERIP must be regular full-time employees eligible for early or full retirement under the provisions of the Virginia Retirement System (VRS) who have been employed by the Authority for 10 of the last 13 years prior to retirement. Employees retiring under the disability provisions of VRS and/or Social Security are not eligible for the VERIP. VERIP participants receive a stipend equal to the difference between (1) the annual VRS retirement benefit amount as reduced for early VRS retirement if appropriate and (2) the recomputed annual VRS benefit with the addition of the lesser of five more years of service or the number of additional years needed to reach age 65. The stipend is paid on a monthly basis. The participant may also receive a monthly payment equal to the amount of the Board's contribution toward an employee's health insurance as long as the employee is covered by VERIP benefits. Applications for the VERIP must be submitted to the Executive Director for approval. The Authority's estimated VERIP liability as of June 30, 2022 and 2021 was $0 and $996, respectively.

NOTE 14–COVID-19 PANDEMIC:

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, which has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The full impact of the COVID-19 outbreak continues to evolve as of the release date of this report. Management is monitoring the situation and impact that it may have on its financial condition, liquidity, operations, suppliers, industry, and workforce.

NOTE 15–UPCOMING PRONOUNCEMENTS:

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

Required Supplementary Information

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Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 72,286	$ 65,964	$ 48,126	$ 46,031
Interest	194,972	180,635	179,595	172,406
Differences between expected and actual experience	(214,454)	171,449	25,190	69,836
Changes of assumptions	124,079	-	59,564	-
Benefit payments	(209,521)	(201,784)	(202,306)	(168,839)
Net change in total pension liability	$ (32,638)	$ 216,264	$ 110,169	$ 119,434
Total pension liability - beginning	2,993,230	2,776,966	2,666,797	2,547,363
Total pension liability - ending (a)	$ 2,960,592	$ 2,993,230	$ 2,776,966	$ 2,666,797
Plan fiduciary net position				
Contributions - employer	$ 74,212	$ 64,044	$ 54,508	$ 32,983
Contributions - employee	38,454	34,125	28,756	20,620
Net investment income	674,788	48,159	162,931	178,448
Benefit payments	(209,521)	(201,784)	(202,306)	(168,839)
Administrator charges	(1,730)	(1,697)	(1,710)	(1,606)
Other	63	(56)	(102)	(156)
Net change in plan fiduciary net position	$ 576,266	$ (57,209)	$ 42,077	$ 61,450
Plan fiduciary net position - beginning	2,496,860	2,554,069	2,511,992	2,450,542
Plan fiduciary net position - ending (b)	$ 3,073,126	$ 2,496,860	$ 2,554,069	$ 2,511,992
Authority's net pension liability (asset) - ending (a) - (b)	$ (112,534)	$ 496,370	$ 222,897	$ 154,805
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.80%	83.42%	91.97%	94.20%
Covered payroll	$ 896,032	$ 788,796	$ 653,939	$ 441,868
Authority's net pension liability (asset) as a percentage of covered payroll	-12.56%	62.93%	34.09%	35.03%

This schedule is intended to report information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 48,984	$ 47,552	$ 44,891	$ 57,148
Interest	170,210	167,674	172,433	165,972
Differences between expected and actual experience	6,093	(34,352)	(157,193)	-
Changes of assumptions	(29,532)	-	-	-
Benefit payments	(159,924)	(129,362)	(126,868)	(134,796)
Net change in total pension liability	$ 35,831	$ 51,512	$ (66,737)	$ 88,324
Total pension liability - beginning	2,511,532	2,460,020	2,526,757	2,438,433
Total pension liability - ending (a)	$ 2,547,363	$ 2,511,532	$ 2,460,020	$ 2,526,757
Plan fiduciary net position				
Contributions - employer	$ 32,319	$ 40,825	$ 38,370	$ 44,486
Contributions - employee	20,045	20,729	19,552	18,368
Net investment income	272,976	38,903	103,238	317,095
Benefit payments	(159,924)	(129,362)	(126,868)	(134,796)
Administrator charges	(1,651)	(1,465)	(1,462)	(1,754)
Other	(239)	(17)	(21)	17
Net change in plan fiduciary net position	$ 163,526	$ (30,387)	$ 32,809	$ 243,416
Plan fiduciary net position - beginning	2,287,016	2,317,403	2,284,594	2,041,178
Plan fiduciary net position - ending (b)	$ 2,450,542	$ 2,287,016	$ 2,317,403	$ 2,284,594
Authority's net pension liability (asset) - ending (a) - (b)	$ 96,821	$ 224,516	$ 142,617	$ 242,163
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.20%	91.06%	94.20%	90.42%
Covered payroll	$ 429,354	$ 422,207	$ 395,326	$ 367,351
Authority's net pension liability (asset) as a percentage of covered payroll	22.55%	53.18%	36.08%	65.92%

This schedule is intended to report information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

RIVANNA SOLID WASTE AUTHORITY

Schedule of Employer Contributions
Pension Plan
For the Years Ended June 30, 2013 through June 30, 2022

Fiscal Year	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 85,680	$ 85,680	$ -	$ 1,030,146	8.32%
2021	74,214	74,214	-	896,032	8.28%
2020	64,022	64,022	-	788,796	8.12%
2019	54,531	54,531	-	653,939	8.34%
2018	32,983	32,983	-	441,868	7.46%
2017	32,319	32,319	-	429,354	7.53%
2016	40,825	40,825	-	422,207	9.67%
2015	38,370	38,370	-	395,326	9.71%
2014	44,486	44,486	-	367,351	12.11%
2013	66,260	66,260	-	547,151	12.11%

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

RIVANNA SOLID WASTE AUTHORITY

Schedule of Authority's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Portion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (Asset) (6)
2021	0.00434%	$ 50,530	$ 896,032	5.64%	67.45%
2020	0.00383%	63,917	788,796	8.10%	52.64%
2019	0.00334%	54,351	653,939	8.31%	52.00%
2018	0.00234%	36,000	441,868	8.15%	51.22%
2017	0.00233%	36,000	429,354	8.38%	48.86%

Schedule is intended to show information for 10 years. Information prior to 2017 is unavailable. However, additional years will be included as they become available.

RIVANNA SOLID WASTE AUTHORITY

Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 5,522	$ 5,522	$ -	$ 1,030,146	0.54%
2021	4,803	4,803	-	896,032	0.54%
2020	4,133	4,133	-	788,796	0.52%
2019	3,428	3,428	-	653,939	0.52%
2018	2,333	2,333	-	441,868	0.53%
2017	2,233	2,233	-	429,354	0.52%

Schedule is intended to show information for 10 years. Information prior to 2017 is unavailable.
However, additional years will be included as they become available.

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, 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:

Non-Largest Ten Locality Employers - General Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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Statistical Section

Contents	Tables
Financial Trends This table contains trend information to help the reader understand how the the Authority's financial performance has changed over time.	1
Revenue, Expenses, Rates and Tonnage Information These tables contain information to help the reader assess the factors affecting the Authority's change in revenues and it's ability to generate revenues as well as operating expenses the Authority generates.	2-6
Debt Capacity This table presents information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue debt in the future.	7
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time.	8-9
Operating Information These tables contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the activities it performs.	10-11

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

RIVANNA SOLID WASTE AUTHORITY **Table 1**

Net Position by Component
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Investment in capital assets	$ 10,541,841	$ 10,364,788	$ 10,061,747	$ 10,062,470	$ 9,192,978	$ 6,840,559	$ 6,268,650	$ 6,246,134	$ 6,232,154	$ 6,333,722
Restricted	112,534	-	-	-	-	-	-	-	-	-
Unrestricted	(2,099,899)	(2,920,726)	(2,403,124)	(2,777,754)	(2,677,368)	(1,955,587)	(1,837,329)	(2,412,362)	(2,437,339)	493,493
Total net position	$ 8,554,476	$ 7,444,062	$ 7,658,623	$ 7,284,716	$ 6,515,610	$ 4,884,972	$ 4,431,321	$ 3,833,772	$ 3,794,815	$ 6,827,215

RIVANNA SOLID WASTE AUTHORITY **Table 2**

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Operating revenues:										
Tipping fees	$ 3,427,808	$ 2,670,483	$ 2,025,890	$ 1,321,174	$ 878,841	$ 876,382	$ 723,803	$ 685,784	$ 693,865	$ 915,834
Recycling revenues	293,904	169,958	78,620	152,871	195,912	227,614	138,239	126,178	153,443	174,674
Other revenue	217,825	246,668	193,129	238,541	233,133	214,771	191,172	257,404	239,958	231,447
Total operating revenues	$ 3,939,537	$ 3,087,109	$ 2,297,639	$ 1,712,586	$ 1,307,886	$ 1,318,767	$ 1,053,214	$ 1,069,366	$ 1,087,266	$ 1,321,955
Operating expenses:										
Administration	$ 808,381	$ 773,225	$ 734,937	$ 687,571	$ 496,812	$ 388,524	$ 398,610	$ 338,200	$ 385,056	$ 345,206
Transfer station	3,190,458	2,755,654	2,108,670	1,419,777	909,581	808,104	798,313	754,792	694,271	894,903
Ivy Material Utilization Center	551,280	427,544	433,143	359,715	298,782	259,669	257,481	205,089	217,787	299,122
Ivy environmental ***	(267,428)	1,046,934	497,466	524,934	425,466	264,995	(13,152)	318,515	3,472,632	528,473
Recycling programs	873,618	830,496	587,334	431,398	455,216	312,052	296,725	239,660	244,506	250,385
Depreciation	242,548	201,601	178,921	120,830	58,566	51,789	54,885	66,639	98,568	154,968
Total operating expenses	$ 5,398,857	$ 6,035,454	$ 4,540,471	$ 3,544,225	$ 2,644,423	$ 2,085,133	$ 1,792,862	$ 1,922,895	$ 5,112,820	$ 2,473,057
Operating income (loss)	$ (1,459,320)	$ (2,948,345)	$ (2,242,832)	$ (1,831,639)	$ (1,336,537)	$ (766,366)	$ (739,648)	$ (853,529)	$ (4,025,554)	$ (1,151,102)
Nonoperating revenues (expenses):										
Interest earned	$ 7,704	$ 6,268	$ 44,016	$ 69,162	$ 50,437	$ 31,333	$ 16,107	$ 8,745	$ 7,766	$ 10,963
Local government contributions - remediation support	970,494	858,997	1,070,582	383,742	396,787	576,714	720,151	809,908	817,348	770,722
Local government contributions - operations support	1,485,012	1,469,388	1,423,208	1,078,539	747,161	368,856	542,926	398,040	135,286	517,344
Grant income	40,120	45,607	24,693	29,597	27,118	27,811	28,878	28,562	28,554	32,370
Forestry revenue	63,204	4,500	-	-	-	-	-	-	-	-
Other income	1,200	504	5,556	7,308	8,034	5,220	31,800	-	7,200	14,000
Gain (loss) on disposal of assets	2,000	53,907	(4,264)	(42,728)	5,846	-	(2,665)	-	(3,000)	-
Total nonoperating revenues (expenses)	$ 2,569,734	$ 2,439,171	$ 2,563,791	$ 1,525,620	$ 1,235,383	$ 1,009,934	$ 1,337,197	$ 1,245,255	$ 993,154	$ 1,345,399
Income before capital grants	$ 1,110,414	$ (509,174)	$ 320,959	$ (306,019)	$ (101,154)	$ 243,568	$ 597,549	$ 391,726	$ (3,032,400)	$ 194,297
Capital grants	-	294,613	52,948	1,075,125	1,771,792	210,083	-	-	-	-
Change in net position	$ 1,110,414	$ (214,561)	$ 373,907	$ 769,106	$ 1,670,638	$ 453,651	$ 597,549	$ 391,726	$ (3,032,400)	$ 194,297

*** Ivy Environmental expenses include landfill closure and post-closure costs.

RIVANNA SOLID WASTE AUTHORITY **Table 3**

Annual Tonnages of Selected Categories of Waste Received
Last Ten Fiscal Years

Years Ended June 30,	Municipal Solid Waste	White Goods	Tires	Clean Fill	Grindable Vegetative Material
2013	18,124	76	131	10,489	3,714
2014	6,864	73	92	9,087	2,016
2015	7,097	80	133	5,952	1,874
2016	7,761	107	169	5,889	1,560
2017	8,341	123	87	6,354	2,864
2018	8,423	119	58	4,819	2,199
2019	16,404	173	171	7,764	2,989
2020	29,364	213	91	11,368	4,556
2021	41,634	316	289	10,160	4,052
2022	46,773	276	66	21,763	7,210

RIVANNA SOLID WASTE AUTHORITY **Table 4**

Waste Tonnages Diverted for Reuse or Recycling
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Cardboard (corrugated)	853	843	561	807	763	812	459	278	279	358
Newspaper, magazines, catalogs	-	-	120	427	424	419	512	524	640	782
Mixed paper and phone books	835	777	792	265	186	156	214	212	265	214
File stock (office paper)	-	22	77	128	111	122	125	125	164	192
Glass	591	564	467	411	252	252	191	219	249	398
Metal cans	100	96	54	58	41	31	32	30	34	47
Plastic	130	146	114	127	103	86	82	95	98	69
White goods (scrap metal)	276	316	213	173	119	123	107	80	73	76
Vegetation	7,210	4,052	4,556	2,989	2,199	2,864	1,560	1,874	2,016	3,714
Pallets	-	-	21	73	77	72	55	79	71	81
Tires	66	288	91	171	58	87	169	133	92	131
	10,061	7,104	7,066	5,629	4,333	5,024	3,506	3,649	3,981	6,062

RIVANNA SOLID WASTE AUTHORITY **Table 5**

Tipping Fees Per Ton By Waste Category
Last Ten Fiscal Years

Waste Category	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	Fiscal Years Ended June 30,									
Municipal:										
Ivy Transfer Station	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 66.00	$ 66.00	$ 66.00	$ 66.00	$ 66.00	$ 66.00
Vegetative	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
Tires:										
Whole Tires	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00	190.00
White Goods:										
Non-Freon	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Clean-Fill	10.00	10.00	10.00	10.00	10.00	10.00	8.00	8.00	8.00	8.00
Bulk Clean-Fill	3.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pallets	N/A	N/A	N/A	48.00	48.00	48.00	48.00	48.00	48.00	48.00

Note: The tipping fee per ton for Ivy Transfer Station municipal waste decreased from $66.00 to $52.00 effective January 1, 2019

RIVANNA SOLID WASTE AUTHORITY **Table 6**

Top Ten Customers
Current Year and Nine Years Ago

Fiscal Year 2022 (Current Year):

		Operating Revenues	
		Amount	**% of Total**
Waste Management of VA, Inc.		636,177	16%
County Waste - Time		498,642	13%
Faulconer Construction Co Inc.		322,474	8%
Cavalier Container, LLC		198,765	5%
Sonoco		196,466	5%
Happy Little Dumpsters		97,893	2%
Gerdau Metals Recycling		82,380	2%
Black Bear Composting		67,222	2%
Montebello Contract Services		49,644	1%
English Const.Co., Inc.		46,419	1%
Subtotal (top ten customers)	$	2,196,082	56%
Other customers		1,743,455	44%
Total	$	3,939,537	100%

Fiscal Year 2013 (Nine Years Ago):

		Operating Revenues	
		Amount	**% of Total**
International Paper	$	88,531	7%
Rivanna Water & Sewer Authority		85,913	6%
Waste Management of VA-Blue Ridge		77,138	6%
Albemarle County		73,010	5%
Greif		42,041	3%
Cycle Systems, Inc.		35,753	3%
Virginia Dept. of Environmental Quality		32,370	2%
Gerdau-Chapparral, Inc.		24,610	2%
Van Yahres Tree Company		17,904	1%
Arnold Excavation & Hauling		15,671	1%
Subtotal (top ten customers)	$	492,941	36%
Other customers		861,384	64%
Total	$	1,354,325	100%

RIVANNA SOLID WASTE AUTHORITY **Table 7**

Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Bank notes payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total outstanding debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

RIVANNA SOLID WASTE AUTHORITY **Table 8**

Demographic Data for the Service Area
City of Charlottesville & Albemarle County, Virginia
Last Ten Calendar Years

Calendar Year	Population (2)	Personal Income (thousands of $) (2)	Per Capita Personal Income ($) (2)	Unemployment Rate (1)
2012	146,044	8,457,472	57,910	5.4%
2013	147,282	8,329,280	56,553	4.9%
2014	149,250	8,936,944	59,879	4.5%
2015	151,418	9,518,529	62,863	3.9%
2016	153,374	10,184,984	66,406	3.5%
2017	155,231	11,143,225	71,785	3.3%
2018	155,883	11,900,382	76,342	2.7%
2019	156,596	12,160,701	77,657	2.4%
2020	157,602	12,230,910	77,606	5.7%
2021	not available	not available	not available	3.4%

Sources:
(1) Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages - for Charlottesville Metropolitan Service Area (MSA)
(2) U.S. Department of Commerce - Bureau of Economic Analysis - for City of Charlottesville and Albemarle County

RIVANNA SOLID WASTE AUTHORITY **Table 9**

Principal Employers in the Charlottesville Area
Current Year and Nine Years Ago

	First Quarter of 2022		Fourth Quarter of 2012	
Employer	Number of Employees	Rank	Number of Employees	Rank
University of Virginia/ Blue Ridge Hospital	1,000 & over	1	1,000 & over	1
University of Virginia Medical Center			1,000 & over	2
County of Albemarle	1,000 & over	2	1,000 & over	3
Sentara Health Care	1,000 & over	3		
Martha Jefferson Hospital			1,000 & over	4
UVA Health Services Foundation	1,000 & over	4	1,000 & over	5
City of Charlottesville	1,000 & over	5	1,000 & over	6
State Farm Mutual Automobile Insurance			1,000 & over	7
Charlottesville City School Board	1,000 & over	6	500-999	8
U.S. Department of Defense	500-999	7	500-999	9
Wal Mart	250-499	8		
Food Lion	250-499	9		
Servicelink Management Com Inc	500-999	10		
Fluvanna County Public School Board			500-999	10

Source: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages - for Charlottesville Metropolitan Service Area (MSA)

Each employer's percentage of total employment is not available.

RIVANNA SOLID WASTE AUTHORITY **Table 10**

Number of Positions by Activity
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Number of budgeted full-time equivalent positions:										
Director	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Manager/Assistant Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Heavy Equipment Operator/Attendants	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Operator/Attendants	5.0	3.0	4.0	2.0	1.0	1.0	1.0	1.0	1.0	3.0
Driver/Equipment Operators	6.0	6.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Scale Clerks	2.5	2.5	2.5	2.2	1.2	1.2	1.2	1.2	1.2	2.5
Recycling Operator/Attendant/Technicians	4.0	4.0	2.5	1.8	1.8	1.2	-	-	-	-
	21.5	19.5	18.0	15.0	11.0	10.4	9.2	9.2	9.2	13.5
Joint Administrative Staff	4.3	4.2	4.2	4.0	3.5	3.4	3.5	2.6	2.6	2.6
Total	25.8	23.7	22.2	18.9	14.5	13.8	12.7	11.8	11.8	16.1

Rivanna Water & Sewer Authority shares its administration staff with Rivanna Solid Waste Authority. The number noted above is the number of full time employee equivalents allocated to Rivanna Solid Waste Authority.

Source: The above information is summarized from annual budget documents and an internal authority staffing plan document

Operating and Capital Indicators
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Waste facilities:										
Number of owned MSW/CDD transfer stations	1	1	1	1	1	1	1	1	1	1
Ivy Material Utilization Center (IMUC)										
Total MSW/CDD tonnage received	46,773	41,634	29,364	16,404	8,423	8,341	7,761	7,097	6,864	18,124
Average daily tonnage received	152	136	90	61	33	33	31	28	27	59
Design capacity in tons per day (Note 1)	450	300	300	300	150	150	150	150	150	150
All other waste tonnage received at IMUC	100,399	14,816	16,249	11,169	7,272	9,499	7,780	8,117	11,340	14,491
Number of vehicles visiting IMUC	78,313	65,391	57,078	46,228	39,342	37,207	34,596	33,793	34,335	42,121
Number of transactions	153,250	127,910	110,808	88,080	74,828	71,827	67,258	64,818	65,944	80,037
Recycling facilities:										
Number of recycling centers	3	3	2	2	2	2	2	2	2	2
Number of newspaper-only drop off sites	3	2	2	2	2	2	3	3	3	3
Tons of recyclable materials received	2,498	2,444	2,184	2,224	1,881	1,878	1,615	1,483	1,729	2,060

Note 1: Design capacity of the IMUC was increased to 300 tons in September 2019 and to 450 tons in December 2021 due to modifications to the Transfer Station's Permit by Rule (#132).

Source: Internal reports and records

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*

To the Board of Directors
Rivanna Solid Waste Authority
Charlottesville, Virginia

We have audited, in accordance with the 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 the business-type activities of Rivanna Solid Waste Authority, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Rivanna Solid Waste Authority's basic financial statements and have issued our report thereon dated October 24, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rivanna Solid Waste 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rivanna Solid Waste Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Rivanna Solid Waste 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 material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
October 24, 2022