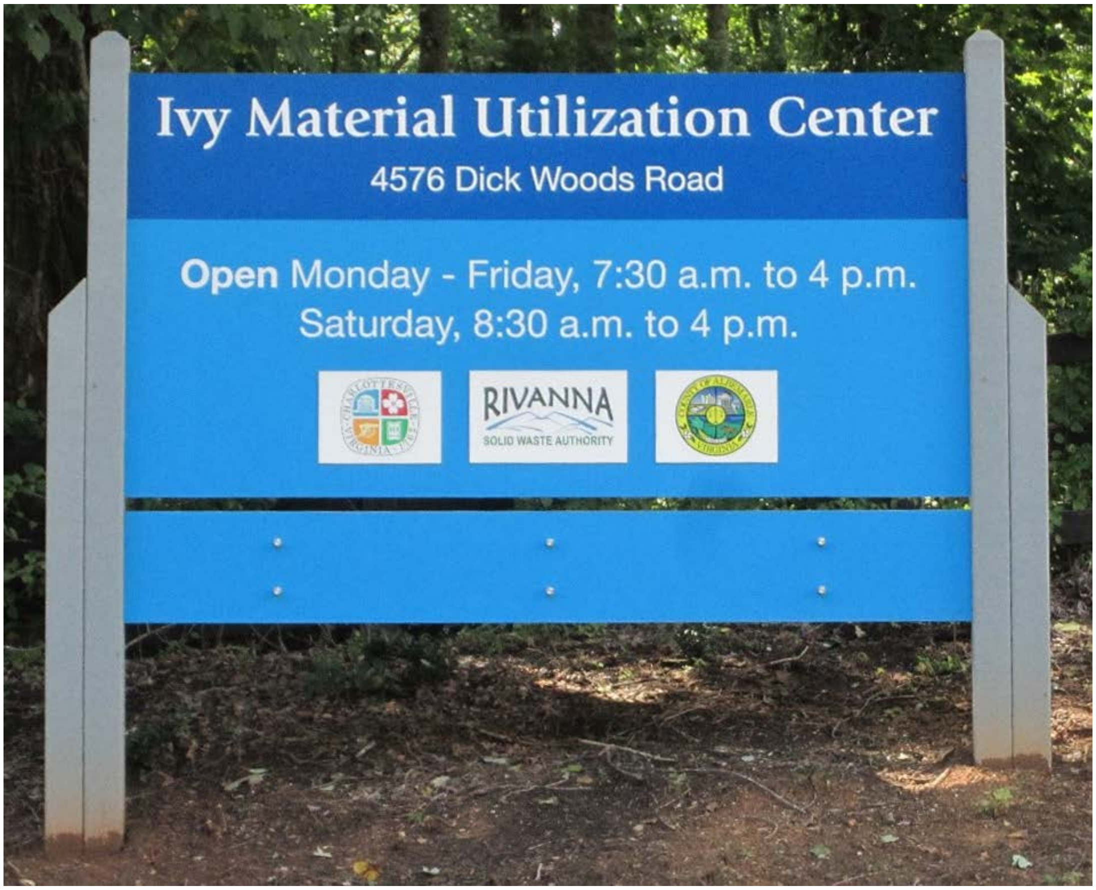
Rivanna Solid Waste Authority



Comprehensive Annual Financial Report

Years Ended June 30, 2021 and 2020

Serving the City of Charlottesville and Albemarle County, Virginia

RIVANNA SOLID WASTE AUTHORITY

CHARLOTTESVILLE, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEARS ENDED JUNE 30, 2021 AND 2020

Prepared By:

Department of Finance and Administration

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RIVANNA SOLID WASTE AUTHORITY

Comprehensive Annual Financial Report
Years Ended June 30, 2021 and 2020

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BOARD MEMBERS

Michael A. Gaffney, Chair

Chip Boyles, Vice-Chair

Jeff Richardson, Secretary-Treasurer

David Brown

Dr. Liz Palmer

Lloyd Snook

Lance Stewart

EXECUTIVE DIRECTOR

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
695 Moores Creek Lane | Charlottesville, Virginia 22902-9016
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October 25, 2021

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

The Comprehensive Annual Financial Report (CAFR) of the Rivanna Solid Waste Authority (Authority) for the fiscal year end June 30, 2021 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 enjoys 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. Pre-pandemic local area unemployment rates were in the 2.1% range. For July 2020, the area unemployment rate jumped to 8.7%. However, a year later in June 2021, the unemployment rate had dropped to 4.1%. The area economy was recovering to near normal levels.

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 are still closed, however, most staff were still 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 our employees. There were no impacts to our operations and budget. The Authority approved the FY 2021 budget with no major impacts identified.

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. According to the Charlottesville Area Association of Realtors, 2021 second quarter home sales for Albemarle and Charlottesville increased 36% and 21%, respectively, compared to the same quarter a year ago. The median sales price increased 9% for Albemarle and 14% for the City during that same time period. This shows a continued strong housing and construction market. Although most growth occurs in County developments, in-filling in Charlottesville continues.

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 and employment sector is the leisure and hospitality industry. The number of jobs increased 20% 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 goal to protect the environment and meet the needs of our communities by providing integrated, reliable and convenient solid waste services:

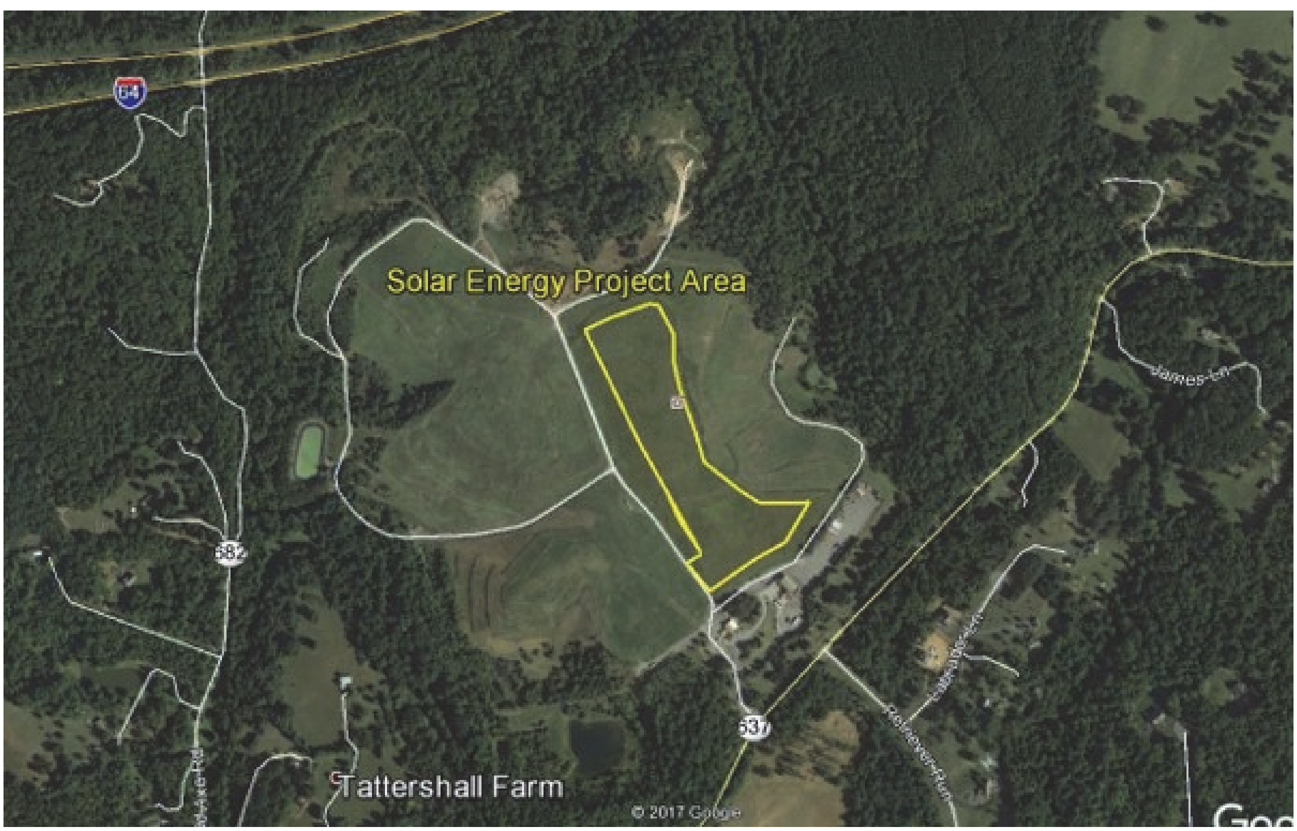
Current Initiatives

- Several efforts were being worked on during the year such as implementation of a document management system that will create a paperless invoicing system, publishing bi-monthly newsletters to employees, creating employee development plans along with a leadership program with the local community college (PVCC), continue supporting a secure work-from-home remote access capability in response to the COVID-19 pandemic, and a computer maintenance management system (CMMS) that is part of a larger new asset management system, which along with a project management cloud-based system, was procured this year. There is a significant Strategic Plan update planned in the next year where new goals and strategies will be formulated.

- 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 2022.

- A Buffer Management program was created this year. The Authority has contracted with a forestry management firm to assess the needs of a significant forested buffer surrounding the Ivy property. There is currently a stand of pine trees to be harvested on the east side prior to December 2022. Harvesting portions of the hardwood buffer will be looked at next. Proper management of the forestry resources is important for a healthy and functional buffer.

Solar Project



MAJOR INITIATIVES: (CONTINUED)

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.

- The County of Albemarle is also considering establishing some additional recycling/convenience centers elsewhere in the County. These new facilities will be designed and constructed by the Authority and incorporated into our operations. Authority staff are working closely with Albemarle County related to these efforts.

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 Comprehensive Annual Financial Report for the year ended June 30, 2020. This was the twenty-sixth 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

AWARDS: (CONTINUED)

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual 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.

ANNUAL AUDIT

State law and the Service Agreement require an annual audit of the books and records of the Authority. The opinion of our independent certified public accountants is included in the Financial Section. The concurrent reports on compliance are included in the Compliance Section.

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

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rivanna Solid Waste Authority
Virginia

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

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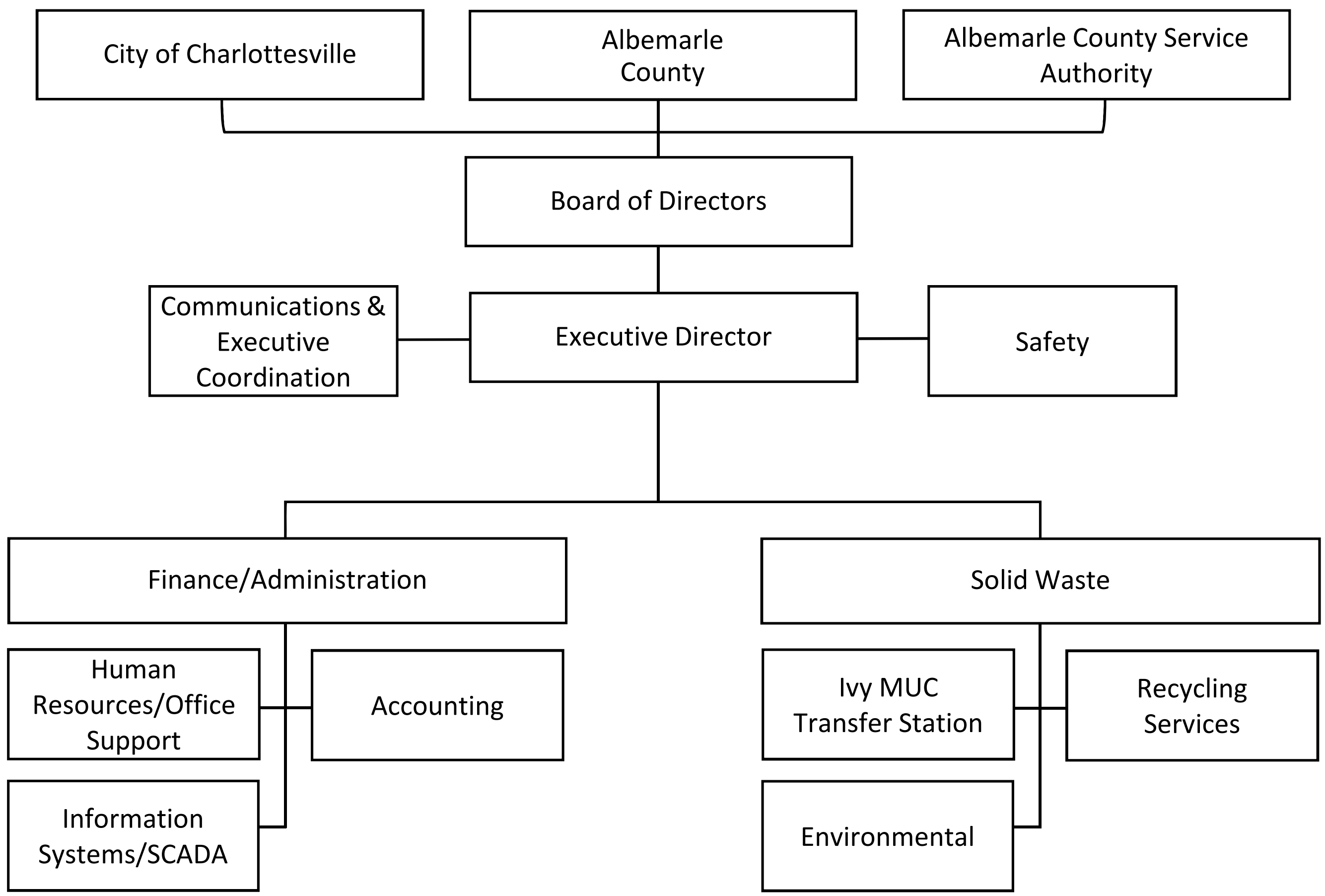
Rivanna Solid Waste Authority

Organizational Chart



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ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants
CPAs | Consultants

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Rivanna Solid Waste Authority, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021 and 2020, 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.

Other Matters

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 on pages 15-22 and 63-69 be presented to supplement the basic financial statements. Such information, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Rivanna Solid Waste Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021, 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 25, 2021

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, 2021. 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 7 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 59 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 decreased by approximately $215,000 this year, which indicates a slight decline in its overall financial position.
- Total operating revenues increased 34% or $789,000 this year, primarily due to receiving increased tonnages of domestic waste and recycling materials and a rebound in recycling prices.
- Transfer Station operating expenses increased by $647,000 due to the costs of processing more waste, and Ivy environmental expenses increased by $549,000 (110%) due to required cap replacement and repair costs.

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 $7.4 million. Total net position decreased by $215,000 this year. Net position invested in capital assets increased by $303,000 this year due to capital expenditures in building the new Ivy Convenience Center for collection of recyclable materials. The Authority uses these capital assets to provide services to its customers, so these assets are not available for future spending. Unrestricted net position has been negative for the past few years, because estimated landfill closure and post-closure costs for many years to come have been recorded as liabilities. However, these costs are funded on a pay-as-you-go basis through financial assurance provided by local government contributions.

	Net Position		
	2021	**2020**	**2019**
Current and other assets	$ 3,554,390	$ 4,007,797	$ 3,656,408
Capital assets	10,364,788	10,067,073	10,089,921
Total assets	$ 13,919,178	$ 14,074,870	$ 13,746,329
Deferred outflows of resources	$ 259,584	$ 115,639	$ 78,445
Noncurrent liabilities	$ 5,644,783	$ 5,438,762	$ 5,517,271
Current liabilities	1,088,007	1,067,494	1,000,152
Total liabilities	$ 6,732,790	$ 6,506,256	$ 6,517,423
Deferred inflows of resources	$ 1,910	$ 25,630	$ 22,635
Net position:			
Net investment in capital assets	$ 10,364,788	$ 10,061,747	$ 10,062,470
Unrestricted	(2,920,726)	(2,403,124)	(2,777,754)
Total net position	$ 7,444,062	$ 7,658,623	$ 7,284,716

Total operating revenues have seen significant growth in the past two years with a 34% increase each year. Tipping fee revenues were the reason for this growth in revenues. Tipping fees for municipal solid waste (MSW) increased $652,000 this year and $616,000 last year. These increases are a result of the improved capacity to process waste at the new transfer station, as explained further in the Review of Operations section. Recycling revenues had fallen off in prior years due to significant declines in market prices. However, prices improved this year, and we received more volume of recyclables, which led to higher recycling revenues.

Contributions received from the City of Charlottesville, the County of Albemarle, and the University of Virginia to fund remediation costs decreased by $212,000 this year compared to a $687 increase in the prior year. The contributions were based on changes in estimated remediation costs budgeted for each fiscal year reduced by the planned use of reserves. The County and City also contributed $1.47 million this year as budgeted to help fund estimated operating expenses, which was 3% less than the prior year.

Financial Analysis: (Continued)

Transfer station expenses increased 31% this year and 49% last year due to large increases in waste received. See the Review of Operations section for more information.

	Changes in Net Position		
	2021	**2020**	**2019**
Revenues:			
Operating revenues:			
Tipping fees	$ 2,670,483	$ 2,025,890	$ 1,321,174
Recycling revenues	169,958	78,620	152,871
Other revenues	246,668	193,129	238,541
Nonoperating revenues:			
Local government contributions - remediation support	858,997	1,070,582	383,742
Local government contributions - operations support	1,469,388	1,423,208	1,078,539
Grants	45,607	24,693	29,597
Interest earned	6,268	44,016	69,162
Other income	5,004	5,556	7,308
Gain on disposal of assets	53,907	-	-
Total revenues	$ 5,526,280	$ 4,865,694	$ 3,280,934
Expenses:			
Operating expenses:			
Administration	$ 773,225	$ 734,937	$ 687,571
Transfer station	2,755,654	2,108,670	1,419,777
Ivy Material Utilization Center	427,544	433,143	359,715
Ivy environmental	1,046,934	497,466	524,934
Recycling programs	830,496	587,334	431,398
Depreciation	201,601	178,921	120,830
Nonoperating expenses:			
Loss on disposal of assets	-	4,264	42,728
Total expenses	$ 6,035,454	$ 4,544,735	$ 3,586,953
Income before capital grants	$ (509,174)	$ 320,959	$ (306,019)
Capital grants	$ 294,613	$ 52,948	$ 1,075,125
Change in net position	$ (214,561)	$ 373,907	$ 769,106
Net position, beginning of year	7,658,623	7,284,716	6,515,610
Net position, end of year	$ 7,444,062	$ 7,658,623	$ 7,284,716

Capital Asset and Debt Administration

Capital Assets - The Authority's investment in capital assets net of accumulated depreciation increased by $298,000 this year compared to a $23,000 decrease in the previous year. A total of $348,000 was spent on construction costs for the New Ivy Convenience Center project over the past two years, and that project was completed and capitalized this year. $199,000 was spent on the Ditches/Berms capital project this year and $15,000 in the prior year, and all of the costs were reclassified to Ivy Environmental expense this year. Vehicles and equipment costing $366,000 was also purchased.

Capital Asset and Debt Administration: (Continued)

Depreciation of $202,000 and $179,000 was recorded in fiscal year 2021 and 2020, respectively. Below is a comparison of the items that make up net capital assets at the end of the past three fiscal years.

	2021	2020	2019
Land, land improvements and landfill site	$ 5,943,439	$ 5,943,439	$ 5,943,439
Construction in progress	31,164	219,748	91,121
Buildings and fixtures	3,334,492	3,185,832	3,247,679
Vehicles and equipment	1,055,693	718,054	807,682
Total capital assets, net	$ 10,364,788	$ 10,067,073	$ 10,089,921

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 $5.6 million obligation to close the transfer station and landfill site and to perform post-closure monitoring. This liability decreased by $195,000 over the past two years. 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 two full 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 300 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 the fiscal year and is free for the public to use. The center is located on the site of the old transfer station. Albemarle County is the sole financial supporter of this center.

This year also saw several environmental projects being worked on or 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.

The impacts related to the overall economic shutdown and later reopening of the economy as a result of the COVID-19 pandemic were minimal. The Authority is considered an essential service, and operating hours were not altered. There were a few impacts that are noted later in this review of operations.

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 in Amelia County. 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.

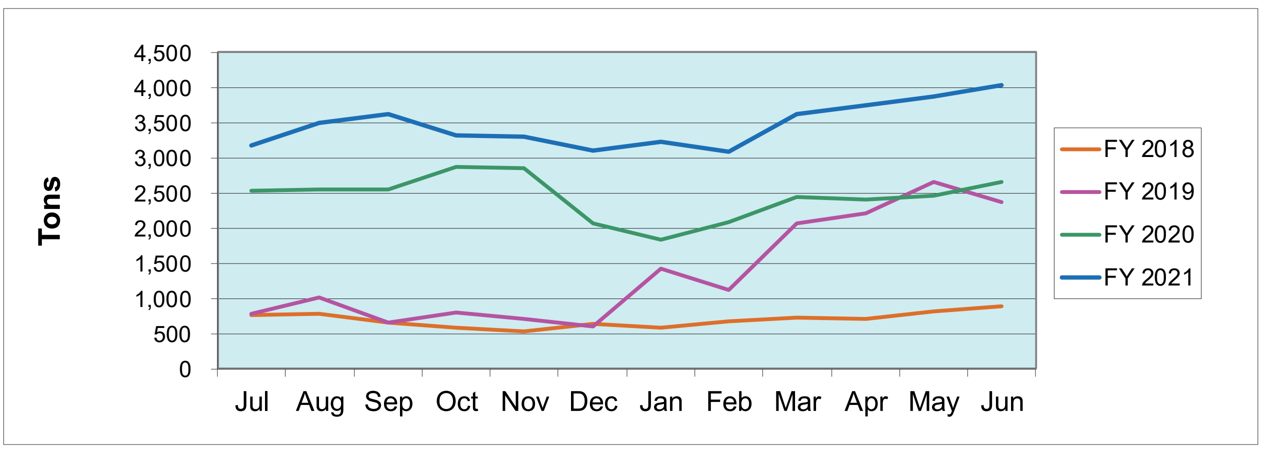
Review of Operations: (Continued)

As you can see in the table below, tonnages received have increased significantly over the last several years. This was the 2nd full year of operating the new transfer station. MSW tipping fee revenues have increased over $1.2 million over the last 2 years. Tonnages increased 41% between FY 2021 and 2020, and the year before that they increased 79%.

Municipal Solid Waste Annual Tonnages	
FY 2018	8,423.12
FY 2019	16,404.44
FY 2020	29,364.31
FY 2021	41,634.25

The Board approved the reduction of the domestic waste tipping fee from $66 per ton to $52 per ton effective January 1, 2019. This drop in the per ton tipping fee a few years ago made the transfer station more competitive with other facilities within the regional MSW disposal market, which helps be a more cost-effective alternative for our customers The Authority is applying to the DEQ for an increase in the per day tonnage limit of the facility. It currently is permitted to accept 300 tons per day, and the Authority is seeking an increase of 150 tons per day for a 450 tons per day total limit. The graph below also gives a good indication of the increased usage of the Ivy transfer station.

Ivy MSW Transfer Station Tonnages FY 2018-2021

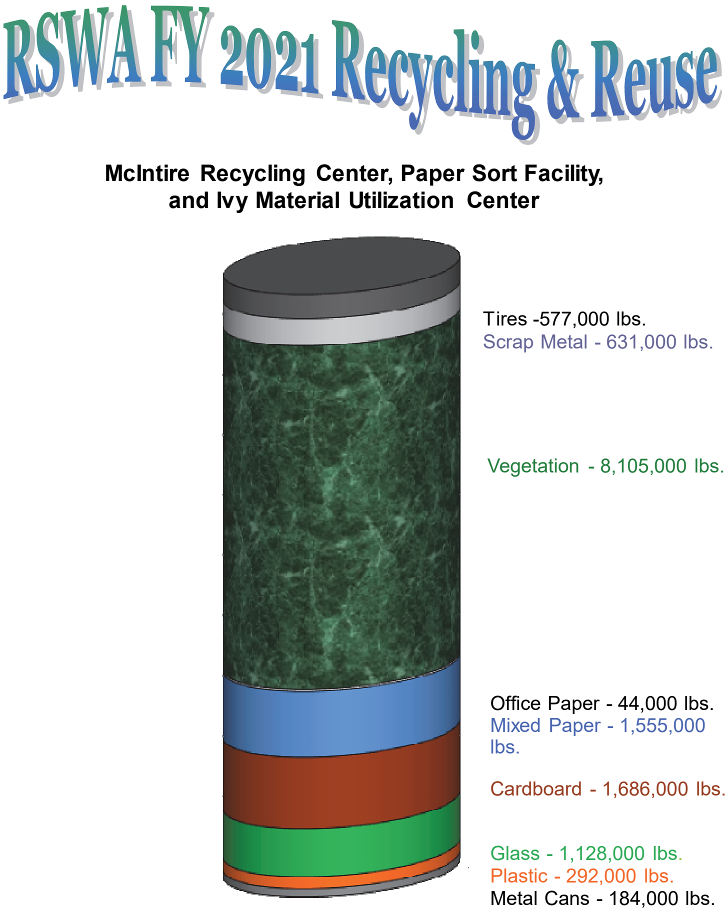


Ivy Material Utilization Center (IMUC): Waste items are received at the IMUC, where most of the items are processed for sale or reuse, such as metals, tires, grindable vegetative material, and pallets. Clean fill, which is inert material, is accepted as well. Tipping fees from these items generated $408,000 in gross revenues for the Authority this year. This is a 5% increase or $20,000 increase over last year. There were no changes to the operation for the current year. The resale of items such as scrap metal and mulch resulted in revenues of $113,000 which was an increase of 31%. During the COVID-19 event, Ivy closed the encore shop, which is the service where customers can purchase reusable items like discarded bikes, grills, lawn equipment and more. The encore shop was reopened midway through FY 2021. Hauling fees were steady this year at $16,600. The IMUC continues to have the semiannual household hazardous waste (HHW) events for collection of paint, batteries, and other HHW, which is a very popular program. This program costs $214,000 last year and is financially supported by the county and city.

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 $39,000 in revenues and processed approximately 26 tons of food waste.

Review of Operations: (Continued)

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.



14,202,000 Pounds of Waste Diverted for Reuse or Recycling

The Paper Sort Facility functions as a transfer station where the Authority receives newspaper, magazines, cardboard, and file stock (fiber products), 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 in the materials. Recycling materials received for FY 2021 increased quite a bit at 12% more tonnages received. The was driven by cardboard tonnages. Prices also increased last year helping generate higher than expected revenues for the recycling program. Higher tonnages and higher market prices generated $170,000 in revenues for FY 2021, which was an increase of $91,000 from FY 2020; however, that was still below revenues received compared to FY 2019 which was $153,000. This was mainly caused by significant fluctuations in market prices for recycled materials over the last three years. The Authority opened the new Ivy Convenience Center this year. The new convenience center is located where the old open-air transfer station operated at Ivy. This center offers more items for collection from citizens and has an improved traffic flow design. The new center could be some of the reason more materials were collected in FY 2021.

This graphic above 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 2021. For more information, see Table 4 in the Statistical Section.

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 $543,000 for this joint administrative service this year and $466,000 in the previous year, as budgeted to fund projected administrative expenses.

Review of Operations: (Continued)

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.

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.

Air quality continues to be managed by operation of a site-wide, active landfill gas collection system and continued system evaluation. In August 2018, a new landfill gas flare was installed to replace the existing flare. The new flare is a smaller model flare that is appropriately sized to manage the much-reduced quantity of landfill gas that is being produced from the closed waste disposal cells.

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. Due to decomposition and settlement of buried wastes in an area of Cell 3 Unlined, a portion of the landfill was recapped in order to minimize the potential for infiltration of surface water into the waste mass. These efforts totaled $212,000 for this project.

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.

Review of Operations: (Continued)

Environmental Remediation: (Continued)

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. Recent efforts to repair ditches and berms on Cell 3 Lined, Cell 3 Unlined, and Cell 2 Unlined totaled $214,000.

Due to recent changes in Virginia's dam safety requirements, the dam at the landfill, historically used as a source for irrigation water, is being modified so that it continues to be below the size that triggers Virginia Department of Conservation and Recreation permitting. This effort will consist of lowering the emergency spillway elevation as well as lowering the dam crest elevation so that structure falls below DCR permitting limits. This project has a budget of $150,000 to complete these efforts.

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, 2021 and 2020

	At June 30,	
	2021	**2020**
ASSETS		
Current assets:		
Cash and cash equivalents (Notes 1 & 2)	$ 3,090,299	$ 3,615,687
Accounts receivable	336,927	256,253
Prepaid items	-	10,200
Total current assets	$ 3,427,226	$ 3,882,140
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents (Notes 1 & 2)	$ 127,164	$ 125,657
Total restricted assets	$ 127,164	$ 125,657
Capital assets (Note 3):		
Land and improvements	$ 5,943,439	$ 5,943,439
Buildings and fixtures	3,740,250	3,480,659
Landfill site	5,665,500	5,665,500
Ivy landfill equipment	1,297,893	1,116,295
Vehicles	755,599	753,222
Recycling facilities equipment	432,901	389,984
Accumulated depreciation (Note 3)	(7,501,958)	(7,501,774)
Subtotal	$ 10,333,624	$ 9,847,325
Construction in progress (Note 4)	$ 31,164	$ 219,748
Net capital assets	$ 10,364,788	$ 10,067,073
Total noncurrent assets	$ 10,491,952	$ 10,192,730
Total assets	$ 13,919,178	$ 14,074,870
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pension (Note 6)	$ 228,475	$ 91,120
Deferred outflows - OPEB - group life insurance (Note 11)	31,109	24,519
Total deferred outflows of resources	$ 259,584	$ 115,639

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

Statement of Net Position (continued)
At June 30, 2021 and 2020

	At June 30, 2021	At June 30, 2020
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$ 554,714	$ 501,135
Retainage payable	-	5,326
Accrued landfill corrective action and post-closure costs	492,360	485,893
Compensated absences - current portion (Note 9)	39,937	37,657
Other long-term obligation - current portion (Note 13)	996	37,483
Total current liabilities	$ 1,088,007	$ 1,067,494
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued transfer station closure costs (Note 7)	$ 127,164	$ 125,657
Accrued corrective action costs (Note 7)	2,852,953	2,883,964
Accrued post-closure monitoring costs (Note 7)	2,104,379	2,150,889
Other long-term obligation (Note 13)	-	1,004
Net pension liability (Note 6)	496,370	222,897
Net OPEB liability (Note 11)	63,917	54,351
Total noncurrent liabilities	$ 5,644,783	$ 5,438,762
Total liabilities	$ 6,732,790	$ 6,506,256
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pension (Note 6)	$ -	$ 22,170
Deferred inflows - OPEB - group life insurance (Note 11)	1,910	3,460
Total deferred inflows of resources	$ 1,910	$ 25,630
NET POSITION		
Net position:		
Net Investment in capital assets	$ 10,364,788	$ 10,061,747
Unrestricted	(2,920,726)	(2,403,124)
Total net position	$ 7,444,062	$ 7,658,623

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

Statement of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2021	Year Ended June 30, 2020
Operating revenues:		
Tipping fees	$ 2,670,483	$ 2,025,890
Recycling revenues	169,958	78,620
Other revenues	246,668	193,129
Total operating revenues	$ 3,087,109	$ 2,297,639
Operating expenses:		
Administration	$ 773,225	$ 734,937
Transfer station	2,755,654	2,108,670
Ivy Material Utilization Center	427,544	433,143
Ivy environmental	1,046,934	497,466
Recycling programs	830,496	587,334
Depreciation	201,601	178,921
Total operating expenses	$ 6,035,454	$ 4,540,471
Operating income (loss)	$ (2,948,345)	$ (2,242,832)
Nonoperating revenues (expenses):		
Interest earned	$ 6,268	$ 44,016
Local government contributions - remediation support	858,997	1,070,582
Local government contributions - operations support	1,469,388	1,423,208
Grants	45,607	24,693
Other income	5,004	5,556
Gain (loss) on disposal of assets	53,907	(4,264)
Total nonoperating revenues (expenses)	$ 2,439,171	$ 2,563,791
Income before capital grants	$ (509,174)	$ 320,959
Capital grants	294,613	52,948
Change in net position	$ (214,561)	$ 373,907
Net position, beginning of year	7,658,623	7,284,716
Net position, end of year	$ 7,444,062	$ 7,658,623

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

Statement of Cash Flows
Years Ended June 30, 2021 and 2020

	Year Ended June 30, 2021	Year Ended June 30, 2020
Cash flows from operating activities:		
Receipts from customers and users	$ 3,011,439	$ 2,274,456
Payments to suppliers	(4,052,235)	(3,161,604)
Payments to and on behalf of employees	(1,566,030)	(1,374,874)
Net cash provided by (used for) operating activities	$ (2,606,826)	$ (2,262,022)
Cash flows from noncapital financing activities:		
Contributions from local governments	$ 2,328,385	$ 2,493,790
Grant income	45,607	24,693
Net cash provided by (used for) noncapital financing activities	$ 2,373,992	$ 2,518,483
Cash flows from capital and related financing activities:		
Additions to capital assets	$ (671,500)	$ (53,711)
Proceeds from the disposal of capital assets	79,572	12,736
Capital grants	294,613	52,948
Net cash provided by (used for) capital and related financing activities	$ (297,315)	$ 11,973
Cash flows from investing activities:		
Interest received	$ 6,268	$ 44,016
Net cash provided by (used for) investing activities	$ 6,268	$ 44,016
Increase (decrease) in cash and cash equivalents	$ (523,881)	$ 312,450
Cash and cash equivalents at beginning of year (including $125,657 and $123,557, respectively reported in restricted accounts)	3,741,344	3,428,894
Cash and cash equivalents at end of year (including $127,164 and $125,657 respectively reported in restricted accounts)	$ 3,217,463	$ 3,741,344
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$ (2,948,345)	$ (2,242,832)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	201,601	178,921
Other nonoperating income	5,004	5,556
Changes in operating assets and liabilities, deferred outflows of resources and deferred inflows of resources:		
(Increase) decrease in accounts receivable and prepaid items	(70,474)	(38,939)
Increase (decrease) in accounts payable and accrued expenses	194,772	(61,791)
Increase (decrease) in net OPEB liability	9,566	18,351
Increase (decrease) in other long-term obligations	(37,491)	(37,484)
Increase (decrease) in compensated absences	2,280	7,321
Increase (decrease) in net pension liability	273,473	68,092
(Increase) decrease in deferred outflows of resources - pension	(137,355)	(18,103)
Increase (decrease) in deferred inflows of resources - pension	(22,170)	2,535
(Increase) decrease in deferred outflows of resources - OPEB - GLI	(6,590)	(19,091)
Increase (decrease) in deferred inflows of resources - OPEB - GLI	(1,550)	460
Increase (decrease) in accrued landfill and transfer station obligations	(69,547)	(125,018)
Net cash provided by (used for) operating activities	$ (2,606,826)	$ (2,262,022)
Noncash investing, capital and financing activities:		
(Increase) decrease in retainage payable for capital assets	$ 5,326	$ 22,125

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 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. Interest incurred during the construction phase of capital assets of business-type activities is recognized as an expense when incurred instead of being included in the historical cost of constructed capital assets.

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, 2021 and 2020 was $201,601 and $178,921, 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 position 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 position 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, 2021 and 2020 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 - 2021

Rated Debt Investments		Fair Quality Ratings AAAm
Local Government Investment Pool	$	1,644,644
Total	$	1,644,644

Authority's Rated Debt Investments' Values - 2020

Rated Debt Investments		Fair Quality Ratings AAAm
Local Government Investment Pool	$	642,474
Total	$	642,474

Interest Rate Risk

Investment Maturities (in years) - 2021

Investment Type		Fair Value		Less Than 1 Year
Local Government Investment Pool	$	1,644,644	$	1,644,644
Total	$	1,644,644	$	1,644,644

Investment Maturities (in years) - 2020

Investment Type		Fair Value		Less Than 1 Year
Local Government Investment Pool	$	642,474	$	642,474
Total	$	642,474	$	642,474

NOTE 2–DEPOSITS AND INVESTMENTS: (CONTINUED)

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, 2021 follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets not being depreciated:				
Land and improvements	$ 5,943,439	$ -	$ -	$ 5,943,439
Construction in progress	219,748	377,833	566,417	31,164
Total capital assets not being depreciated	$ 6,163,187	$ 377,833	$ 566,417	$ 5,974,603
Other Capital Assets:				
Buildings & fixtures	$ 3,480,659	$ 259,591	$ -	$ 3,740,250
Accumulated depreciation	(294,827)	(110,931)	-	(405,758)
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	(5,665,500)	-	-	(5,665,500)
Ivy Landfill equipment	1,116,295	238,763	57,165	1,297,893
Accumulated depreciation	(754,263)	(38,917)	(57,165)	(736,015)
Vehicles	753,222	166,036	163,659	755,599
Accumulated depreciation	(493,356)	(39,109)	(137,994)	(394,471)
Recycling facilities equipment	389,984	49,175	6,258	432,901
Accumulated depreciation	(293,828)	(12,644)	(6,258)	(300,214)
Other capital assets, net	$ 3,903,886	$ 511,964	$ 25,665	$ 4,390,185
Capital assets, net	$ 10,067,073	$ 889,797	$ 592,082	$ 10,364,788

NOTE 3–CAPITAL ASSETS: (CONTINUED)

A summary of changes in capital assets for the year ended June 30, 2020 follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land and improvements	$ 5,943,439	$ -	$ -	$ 5,943,439
Construction in progress	91,121	219,748	91,121	219,748
Total capital assets not being depreciated	$ 6,034,560	$ 219,748	$ 91,121	$ 6,163,187
Other Capital Assets:				
Buildings & fixtures	$ 3,844,316	$ 44,446	$ 408,103	$ 3,480,659
Accumulated depreciation	(596,637)	(104,293)	(406,103)	(294,827)
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	(5,665,500)	-	-	(5,665,500)
Ivy Landfill equipment	1,183,825	-	67,530	1,116,295
Accumulated depreciation	(778,078)	(28,715)	(52,530)	(754,263)
Vehicles	794,043	-	40,821	753,222
Accumulated depreciation	(499,093)	(35,084)	(40,821)	(493,356)
Office equipment	16,736	-	16,736	-
Accumulated depreciation	(16,736)	-	(16,736)	-
Recycling facilities equipment	389,984	-	-	389,984
Accumulated depreciation	(282,999)	(10,829)	-	(293,828)
Other capital assets, net	$ 4,055,361	$ (134,475)	$ 17,000	$ 3,903,886
Capital assets, net	$ 10,089,921	$ 85,273	$ 108,121	$ 10,067,073

NOTE 4–CONSTRUCTION IN PROGRESS:

At June 30, 2021 and 2020 the Authority had $31,164 and $219,748 construction in progress, respectively.

Details of construction in progress for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Cost of Construction	Expense/ Transfer to Capital Assets	Balance June 30, 2021
New Ivy Convenience Center	$ 175,179	$ 172,383	$ 347,562	$ -
Ditches/Berms	14,871	198,658	213,529	-
Pond Repair	24,372	6,792	-	31,164
Retainage on Construction in Progress	5,326	-	5,326	-
Total	$ 219,748	$ 377,833	$ 566,417	$ 31,164

Details of construction in progress for the year ended June 30, 2020 are as follows:

	Balance July 1, 2019	Cost of Construction	Expense/ Transfer to Capital Assets	Balance June 30, 2020
Landfill Cap Settlement Repairs	$ 63,670	$ -	$ 63,670	$ -
New Ivy Convenience Center	-	175,179	-	175,179
Ditches/Berms	-	14,871	-	14,871
Pond Repair	-	24,372	-	24,372
Retainage on Construction in Progress	27,451	5,326	27,451	5,326
Total	$ 91,121	$ 219,748	$ 91,121	$ 219,748

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, 2021 and 2020, the liability for accrued vacation leave was $39,937 and $37,657, respectively.

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.

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, 2019 and June 30, 2018 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	2021	**2020**
Inactive members or their beneficiaries currently receiving benefits	20	17
Inactive members:		
Vested inactive members	2	2
Non-vested inactive members	7	6
Long-term disability (LTD)	0	0
Inactive members active elsewhere in VRS	4	5
Total inactive members	13	13
Active members	13	9
Total covered employees	46	39

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, 2021 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.

The Authority's contractually required employer contribution rate for the year ended June 30, 2020 was 9.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 $74,214 and $64,022 for the years ended June 30, 2021 and June 30, 2020, 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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 rolled forward to the measurement date of June 30, 2020.

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, 2019, 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, 2020.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

NOTE 6–PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

Mortality rates:

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

* The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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, 2020, 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, 2020 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

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at June 30, 2019	$ 2,776,966	$ 2,554,069	$ 222,897
Changes for the year:			
Service cost	$ 65,964	$ -	$ 65,964
Interest	180,635	-	180,635
Differences between expected and actual experience	171,449	-	171,449
Contributions - employer	-	64,044	(64,044)
Contributions - employee	-	34,125	(34,125)
Net investment income	-	48,159	(48,159)
Benefit payments, including refunds	(197,864)	(201,784)	3,920
Refunds of employee contributions	(3,920)	-	(3,920)
Administrative expenses	-	(1,697)	1,697
Other changes	-	(56)	56
Net changes	$ 216,264	$ (57,209)	$ 273,473
Balances at June 30, 2020	$ 2,993,230	$ 2,496,860	$ 496,370

NOTE 6–PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability: (Continued)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at June 30, 2018	$ 2,666,797	$ 2,511,992	$ 154,805
Changes for the year:			
Service cost	$ 48,126	$ -	$ 48,126
Interest	179,595	-	179,595
Differences between expected and actual experience	25,190	-	25,190
Assumption changes	59,564	-	59,564
Contributions - employer	-	54,508	(54,508)
Contributions - employee	-	28,756	(28,756)
Net investment income	-	162,931	(162,931)
Benefit payments, including refunds	(202,306)	(202,306)	-
Administrative expenses	-	(1,710)	1,710
Other changes	-	(102)	102
Net changes	$ 110,169	$ 42,077	$ 68,092
Balances at June 30, 2019	$ 2,776,966	$ 2,554,069	$ 222,897

NOTE 6–PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate as of June 30, 2021

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:

Rivanna Solid Waste Authority's Net Pension Liability	Rate: 1% Decrease (5.75%)	Rate: Current Discount (6.75%)	Rate: 1% Increase (7.75%)
2021	$ 744,084	$ 496,370	$ 281,280

Sensitivity of the Net Pension Liability to Changes in the Discount Rate as of June 30, 2020

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:

Rivanna Solid Waste Authority's Net Pension Liability	Rate: 1% Decrease (5.75%)	Rate: Current Discount (6.75%)	Rate: 1% Increase (7.75%)
2020	$ 473,539	$ 222,897	$ 18,374

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

For the year ended June 30, 2021, the Authority recognized pension expense of $188,184. At June 30, 2021, 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	$ 80,253	$ -
Net difference between projected and actual earnings on pension plan investments	74,008	-
Employer contributions subsequent to the measurement date	74,214	-
Total	$ 228,475	$ -

NOTE 6–PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2020, the Authority recognized pension expense of $116,523. At June 30, 2020, 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	$ 8,054	$ -
Change in assumptions	19,044	-
Net difference between projected and actual earnings on pension plan investments	-	22,170
Employer contributions subsequent to the measurement date	64,022	-
Total	$ 91,120	$ 22,170

$74,214 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, 2022. 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	
2022	$ 80,581
2023	23,672
2024	25,871
2025	24,137
2026	-
Thereafter	-

$64,022 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, 2021. 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	
2021	$ 27,468
2022	(23,809)
2023	(465)
2024	1,734
2025	-
Thereafter	-

NOTE 6–PENSION PLAN: (CONTINUED)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2020-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 $3,169,948 at June 30, 2021. The $2,279,744 reported as post-closure monitoring liability at June 30, 2021 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 $127,164. Total closure corrective action and post-closure care costs and post-closure monitoring costs accrued at June 30, 2021 are $5,576,856. 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 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

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 $3,473,371 and the City of Charlottesville in the amount of $1,911,700 for a total guarantee of $5,385,071. 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 $127,164.

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, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Landfill and transfer station closure/ corrective action/post-closure costs	$ 5,646,403	$ 416,346	$ 485,893	$ 5,576,856	$ 492,360
Compensated absences	37,657	44,310	42,030	39,937	39,937
VERIP liability	38,487	-	37,491	996	996
Net pension liability	222,897	419,801	146,328	496,370	-
Net OPEB liability	54,351	35,969	26,403	63,917	-
Totals	$ 5,999,795	$ 916,426	$ 738,145	$ 6,178,076	$ 533,293

The following is a summary of long-term obligation transactions for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Landfill and transfer station closure/ corrective action/post-closure costs	$ 5,771,421	$ 358,425	$ 483,443	$ 5,646,403	$ 485,893
Compensated absences	30,336	47,579	40,258	37,657	37,657
VERIP liability	75,971	-	37,484	38,487	37,483
Net pension liability	154,805	314,287	246,195	222,897	-
Net OPEB liability	36,000	27,147	8,796	54,351	-
Totals	$ 6,068,533	$ 747,438	$ 816,176	$ 5,999,795	$ 561,033

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, safety belt 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 $8,616 as of June 30, 2021.

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, 2021 was 0.54% of covered employee compensation, based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. Each employer's contractually required employer contribution rate for the year ended June 30, 2020 was 0.52% of covered employee compensation, based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 $4,803 and $4,133 for the years ended June 30, 2021 and June 30, 2020, 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, 2021, the entity reported a liability of $63,917 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 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, 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.00383% as compared to 0.00334% at June 30, 2019.

At June 30, 2020, the entity reported a liability of $54,351 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 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, 2018 and rolled forward to the measurement date of June 30, 2019. 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 Plan for the year ended June 30, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2019, the participating employer's proportion was 0.00334% as compared to 0.00234% at June 30, 2018.

For the years ended June 30, 2021 and 2020, the participating employer recognized GLI OPEB expense of $6,203 and $3,761, respectively. 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, 2021, 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	$ 4,100	$ 575
Net difference between projected and actual earnings on GLI OPEB plan investments	1,920	-
Change in assumptions	3,197	1,335
Changes in proportion	17,089	-
Employer contributions subsequent to the measurement date	4,803	-
Total	$ 31,109	$ 1,910

At June 30, 2020, 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	$ 3,615	$ 705
Net difference between projected and actual earnings on GLI OPEB plan investments	-	1,116
Change in assumptions	3,431	1,639
Changes in proportion	13,340	-
Employer contributions subsequent to the measurement date	4,133	-
Total	$ 24,519	$ 3,460

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)

$4,803 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, 2022. 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		
2022	$	4,728
2023		5,271
2024		5,766
2025		5,788
2026		2,536
Thereafter		307

$4,133 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, 2021. 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		
2021	$	2,698
2022		2,698
2023		3,171
2024		3,602
2025		3,621
Thereafter		1,136

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, 2019, 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, 2020. 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	2.5%
Salary increases, including inflation	3.5%–5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation*

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of 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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016 , except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	$	1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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, 2019, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,390,238
Plan Fiduciary Net Position		1,762,972
Employers' Net GLI OPEB Liability (Asset)	$	1,627,266
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.00%

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

Net GLI OPEB Liability: (Continued)

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.

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%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

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

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 member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, 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, 2020 on, employers 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.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate as of June 30, 2021

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:

Authority's proportionate share of the GLI Plan Net OPEB Liability	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
2021	$ 84,023	$ 63,917	$ 47,588

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate as of June 30, 2020

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:

Authority's proportionate share of the GLI Plan Net OPEB Liability	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
2020	$ 71,402	$ 54,351	$ 40,523

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

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2020-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 $543,000 in FY 2021 and $466,000 in FY 2020 as well as for leachate acceptance and treatment of $2,370 in FY 2021 and $3,082 in FY 2020. Rivanna Solid Waste Authority billed Rivanna Water & Sewer Authority $28,027 for hauling and tipping fees in FY 2021 and $16,639 in the previous year. RSWA owed RWSA $70,642 and $60,766 at June 30, 2021 and 2020, respectively.

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, 2021 and 2020 was $996 and $38,487, respectively. The amount payable within the next year is $996.

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. Given the daily evolution of the COVID-19 outbreak and global responses to curb its spread, the Authority is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

NOTE 15–UPCOMING PRONOUNCEMENTS:

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

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.

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

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Required Supplementary Information

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Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017
Total pension liability				
Service cost	$ 65,964	$ 48,126	$ 46,031	$ 48,984
Interest	180,635	179,595	172,406	170,210
Difference between expected and actual experience	171,449	25,190	69,836	6,093
Changes of assumptions	-	59,564	-	(29,532)
Benefit payments	(201,784)	(202,306)	(168,839)	(159,924)
Net change in total pension liability	$ 216,264	$ 110,169	$ 119,434	$ 35,831
Total pension liability - beginning	2,776,966	2,666,797	2,547,363	2,511,532
Total pension liability - ending (a)	$ 2,993,230	$ 2,776,966	$ 2,666,797	$ 2,547,363
Plan fiduciary net position				
Contributions - employer	$ 64,044	$ 54,508	$ 32,983	$ 32,319
Contributions - employee	34,125	28,756	20,620	20,045
Net investment income	48,159	162,931	178,448	272,976
Benefit payments	(201,784)	(202,306)	(168,839)	(159,924)
Administrator charges	(1,697)	(1,710)	(1,606)	(1,651)
Other	(56)	(102)	(156)	(239)
Net change in plan fiduciary net position	$ (57,209)	$ 42,077	$ 61,450	$ 163,526
Plan fiduciary net position - beginning	2,554,069	2,511,992	2,450,542	2,287,016
Plan fiduciary net position - ending (b)	$ 2,496,860	$ 2,554,069	$ 2,511,992	$ 2,450,542
Authority's net pension liability - ending (a) - (b)	$ 496,370	$ 222,897	$ 154,805	$ 96,821
Plan fiduciary net position as a percentage of the total pension liability	83.42%	91.97%	94.20%	96.20%
Covered payroll	$ 788,796	$ 653,939	$ 441,868	$ 429,354
Authority's net pension liability as a percentage of covered payroll	62.93%	34.09%	35.03%	22.55%

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 and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2016	2015	2014
Total pension liability			
Service cost	$ 47,552	$ 44,891	$ 57,148
Interest	167,674	172,433	165,972
Difference between expected and actual experience	(34,352)	(157,193)	-
Changes of assumptions	-	-	-
Benefit payments	(129,362)	(126,868)	(134,796)
Net change in total pension liability	$ 51,512	$ (66,737)	$ 88,324
Total pension liability - beginning	2,460,020	2,526,757	2,438,433
Total pension liability - ending (a)	$ 2,511,532	$ 2,460,020	$ 2,526,757
Plan fiduciary net position			
Contributions - employer	$ 40,825	$ 38,370	$ 44,486
Contributions - employee	20,729	19,552	18,368
Net investment income	38,903	103,238	317,095
Benefit payments	(129,362)	(126,868)	(134,796)
Administrator charges	(1,465)	(1,462)	(1,754)
Other	(17)	(21)	17
Net change in plan fiduciary net position	$ (30,387)	$ 32,809	$ 243,416
Plan fiduciary net position - beginning	2,317,403	2,284,594	2,041,178
Plan fiduciary net position - ending (b)	$ 2,287,016	$ 2,317,403	$ 2,284,594
Authority's net pension liability - ending (a) - (b)	$ 224,516	$ 142,617	$ 242,163
Plan fiduciary net position as a percentage of the total pension liability	91.06%	94.20%	90.42%
Covered payroll	$ 422,207	$ 395,326	$ 367,351
Authority's net pension liability as a percentage of covered payroll	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, 2012 through June 30, 2021

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)
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%
2012	57,640	57,640	-	506,945	11.37%

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020

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 (6)
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, 2021

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

Non-Largest Ten Locality Employers - General Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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Statistical Section

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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
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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
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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual 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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	$ 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	$ 6,488,690
Unrestricted	(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	144,228
Total net position	$ 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	$ 6,632,918

RIVANNA SOLID WASTE AUTHORITY **Table 2**

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Operating revenues:										
Tipping fees	$ 2,670,483	$ 2,025,890	$ 1,321,174	$ 878,841	$ 876,382	$ 723,803	$ 685,784	$ 693,865	$ 915,834	$ 862,422
Recycling revenues	169,958	78,620	152,871	195,912	227,614	138,239	126,178	153,443	174,674	236,130
Other revenue	246,668	193,129	238,541	233,133	214,771	191,172	257,404	239,958	231,447	214,836
Total operating revenues	$ 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	$ 1,313,388
Operating expenses:										
Administration	$ 773,225	$ 734,937	$ 687,571	$ 496,812	$ 388,524	$ 398,610	$ 338,200	$ 385,056	$ 345,206	$ 344,974
Transfer station	2,755,654	2,108,670	1,419,777	909,581	808,104	798,313	754,792	694,271	894,903	875,498
Ivy Material Utilization Center	427,544	433,143	359,715	298,782	259,669	257,481	205,089	217,787	299,122	258,343
Ivy environmental ***	1,046,934	497,466	524,934	425,466	264,995	(13,152)	318,515	3,472,632	528,473	1,680,530
Recycling programs	830,496	587,334	431,398	455,216	312,052	296,725	239,660	244,506	250,385	253,873
Depreciation	201,601	178,921	120,830	58,566	51,789	54,885	66,639	98,568	154,968	148,071
Total operating expenses	$ 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	$ 3,561,289
Operating income (loss)	$ (2,948,345)	$ (2,242,832)	$ (1,831,639)	$ (1,336,537)	$ (766,366)	$ (739,648)	$ (853,529)	$ (4,025,554)	$ (1,151,102)	$ (2,247,901)
Nonoperating revenues (expenses):										
Interest earned	$ 6,268	$ 44,016	$ 69,162	$ 50,437	$ 31,333	$ 16,107	$ 8,745	$ 7,766	$ 10,963	$ 11,590
Local government contributions - remediation support	858,997	1,070,582	383,742	396,787	576,714	720,151	809,908	817,348	770,722	755,253
Local government contributions - operations support	1,469,388	1,423,208	1,078,539	747,161	368,856	542,926	398,040	135,286	517,344	203,978
Settlement income	-	-	-	-	-	-	-	-	-	10,997
Grant income	45,607	24,693	29,597	27,118	27,811	28,878	28,562	28,554	32,370	23,431
Forestry Revenue	4,500	-	-	-	-	-	-	-	-	-
Other income	504	5,556	7,308	8,034	5,220	31,800	-	7,200	14,000	-
Gain (loss) on disposal of assets	53,907	(4,264)	(42,728)	5,846	-	(2,665)	-	(3,000)	-	-
Total nonoperating revenues (expenses)	$ 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	$ 1,005,249
Income before capital grants	$ (509,174)	$ 320,959	$ (306,019)	$ (101,154)	$ 243,568	$ 597,549	$ 391,726	$ (3,032,400)	$ 194,297	$ (1,242,652)
Capital grants	294,613	52,948	1,075,125	1,771,792	210,083	-	-	-	-	-
Change in net position	$ (214,561)	$ 373,907	$ 769,106	$ 1,670,638	$ 453,651	$ 597,549	$ 391,726	$ (3,032,400)	$ 194,297	$ (1,242,652)

*** 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	Sludge	Grindable Vegetative Material
2012	21,448	87	158	6,648	878	1,877
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

RIVANNA SOLID WASTE AUTHORITY **Table 4**

Waste Tonnages Diverted for Reuse or Recycling
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Cardboard (corrugated)	843	561	807	763	812	459	278	279	358	359
Newspaper, magazines, catalogs	-	120	427	424	419	512	524	640	782	765
Mixed paper and phone books	777	792	265	186	156	214	212	265	214	258
File stock (office paper)	22	77	128	111	122	125	125	164	192	172
Glass ***	564	467	411	252	252	191	219	249	398	357
Metal cans	92	54	58	41	31	32	30	34	47	55
Plastic	146	114	127	103	86	82	95	98	69	82
White goods (scrap metal)	316	213	173	119	123	107	80	73	76	87
Vegetation	4,052	4,556	2,989	2,199	2,864	1,560	1,874	2,016	3,714	1,877
Pallets	-	21	73	77	72	55	79	71	81	88
Tires	288	91	171	58	87	169	133	92	131	158
	7,100	7,066	5,629	4,333	5,024	3,506	3,649	3,981	6,062	4,258

Note:
*** Glass includes glass crushed and reused on roads at Ivy MUC for FY 2012 and prior years.

RIVANNA SOLID WASTE AUTHORITY **Table 5**

Tipping Fees Per Ton By Waste Category
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
Waste Category	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Municipal:										
Ivy Transfer Station	$ 52.00	$ 52.00	$ 52.00	$ 66.00	$ 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	8.00	8.00	8.00	8.00	8.00
Sludge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.00
Pallets	N/A	N/A	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00

RIVANNA SOLID WASTE AUTHORITY **Table 6**

Top Ten Customers
Current Year and Nine Years Ago

Fiscal Year 2021 (Current Year):

		Operating Revenues	
		Amount	% of Total
Waste Management of VA, Inc.		510,938	17%
County Waste - Time		435,892	14%
Cavalier Container, LLC		192,074	6%
Sonoco		154,113	5%
Happy Little Dumpsters, LLC		94,859	3%
Gerdau Metals Recycling		84,166	3%
Albemarle County		74,511	2%
Martin Horn, Inc.		68,695	2%
Black Bear Composting		39,505	1%
Demolition Services, Inc.		35,171	1%
Subtotal (top ten customers)	$	1,689,924	55%
Other customers		1,397,185	45%
Total	$	3,087,109	100%

Fiscal Year 2012 (Nine Years Ago):

		Operating Revenues	
		Amount	% of Total
International Paper	$	229,842	15%
Waste Management of VA-Blue Ridge		115,420	8%
Rivanna Water and Sewer Authority		56,822	4%
Cycle Systems, Inc.		51,349	3%
Albemarle County		50,757	3%
Virginia Department of Environmental Quality		26,714	2%
Faulconer Construction Co. Inc.		24,136	2%
Arnold Excavation and Hauling		18,296	1%
Martin Horn, Inc.		15,624	1%
Barnett's Trash Service		12,262	1%
Subtotal (top ten customers)	$	601,221	40%
Other customers		903,318	60%
Total	$	1,504,539	100%

RIVANNA SOLID WASTE AUTHORITY **Table 7**

Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
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)
2011	143,974	7,657,164	53,184	5.9%
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	not available	not available	not available	5.7%

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 2021		Fourth Quarter of 2011	
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	6
City of Charlottesville	1,000 & over	5	1,000 & over	5
State Farm Mutual Automobile Insurance			1,000 & over	7
Charlottesville City School Board	1,000 & over	6	500-999	8
Northrop Grumman Corporation			500-999	9
U.S. Department of Defense	500-999	7	500-999	10
Servicelink Management Com Inc	500-999	8		
Food Lion	250-499	9		
Wal Mart	250-499	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,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Number of budgeted full-time equivalent positions:										
Director	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	2.0	2.0
Operator/Attendants	3.0	4.0	2.0	1.0	1.0	1.0	1.0	1.0	3.0	3.0
Driver/Equipment Operators	6.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Scale Clerks	2.5	2.5	2.2	1.2	1.2	1.2	1.2	1.2	2.5	2.5
Recycling Operator/Attendant/Technicians	4.0	2.5	1.8	1.8	1.2	-	-	-	-	-
	19.5	18.0	15.0	11.0	10.4	9.2	9.2	9.2	13.5	13.5
Joint Administrative Staff	4.2	4.2	4.0	3.5	3.4	3.5	2.6	2.6	2.6	2.8
Total	23.7	22.2	18.9	14.5	13.8	12.7	11.8	11.8	16.1	16.3

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

RIVANNA SOLID WASTE AUTHORITY **Table 11**

Operating and Capital Indicators
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**
Waste facilities:										
Rivanna-owned MSW/CDD transfer stations:										
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	41,634	29,364	16,404	8,423	8,341	7,761	7,097	6,864	18,124	21,448
Average daily tonnage received	136	90	61	33	33	31	28	27	59	69
Design capacity in tons per day (Note 1)	300	300	300	150	150	150	150	150	150	150
All other waste tonnage received (Ivy MUC)	14,816	16,249	11,169	7,272	9,499	7,780	8,117	11,340	14,491	10,094
Number of vehicles visiting IMUC	65,391	57,078	46,228	39,342	37,207	34,596	33,793	34,335	42,121	41,957
Number of transactions	127,910	110,808	88,080	74,828	71,827	67,258	64,818	65,944	80,037	78,531
Recycling facilities:										
Number of recycling centers	3	2	2	2	2	2	2	2	2	2
Number of newspaper-only drop off sites	2	2	2	2	2	3	3	3	3	3
Tons of recyclable materials received	2,444	2,184	2,224	1,881	1,878	1,615	1,483	1,729	2,060	2,048

Note 1: Design capacity of the Ivy Material Utilization Center increased from 150 to 300 tons per day with the completion of the new facility in September 2019.
Note 2: Design capacity of the contracted MSW/CDD transfer station is not applicable, because it accepted waste from sources other than RSWA.

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, 2021, 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 25, 2021.

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 may exist that have not been identified.

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 25, 2021