

Rivanna Solid Waste Authority



Annual Comprehensive Financial Report

Year Ended June 30, 2024

Serving the City of Charlottesville and Albemarle County, Virginia

Front Cover photo is Ivy Solid Waste and Recycling Center

RIVANNA SOLID WASTE AUTHORITY
CHARLOTTESVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

Prepared By: _____

Department of Finance and Information Technology

RIVANNA SOLID WASTE AUTHORITY

Annual Comprehensive Financial Report Year Ended June 30, 2024

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BOARD MEMBERS

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Sam Sanders

Stacey Smalls

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



October 31, 2024

To the Board of Directors and Customers
of the City of Charlottesville and the
County of Albemarle:

The Annual Comprehensive Financial Report (ACFR) of the Rivanna Solid Waste Authority (Authority) for the fiscal year end June 30, 2024 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 Solid Waste and Recycling Center (ISWRC), Municipal Solid Waste (MSW) transfer station, recycling activities through 3 different convenience centers and supporting administrative functions.

LOCAL ECONOMIC CONDITIONS

Both Charlottesville and Albemarle County traditionally enjoy low unemployment rates, steady economic growth and high bond ratings. Recently, unemployment rates for the Charlottesville metro area were at 2.9% for June of 2024 which was slightly higher than June 2023 rate at 2.8%. This rate is much better than the national jobless rate of 4.1%.

The University of Virginia (UVA) provides a significant buffer against large swings in the economy of the service area. The university had capital projects under construction of approximately \$1.1 billion. UVA also has another \$430 million under planning and design for the near future. The largest is a \$350 million Biotechnology Center and a UVA Hotel and Conference center for \$168 million. In addition, the Charlottesville urban area is a major retail trade center for the surrounding region.

Housing growth remains steady. As inflation rates cooled compared to the previous year, although still high, interest rates began to increase significantly. Area mortgage rates were at 6.77% for June which is about the same as the previous year according to the Charlottesville Area Association of Realtors. Sales of new and used housing in the area were trending lower at a 4% decline compared to the quarter-to-date a year before. Despite the slowdown, housing prices still gained \$14,150 per unit with the median price climbing 3% to \$460,050. Both the drop in sales and the continued increase in sales prices indicates that the area has a low inventory in available housing.

The Charlottesville-Albemarle area attracts many visitors to its historic sites along with the many vineyards and wineries. This industry has been popular and has served to help benefit the tourism sector of the regional economy. The travel and tourism industry makes a substantial contribution to the local economy. The Charlottesville–Albemarle Convention and Visitors Bureau recently released visitor spending data for the area had increased 6% from the year before to nearly \$1 billion (Albemarle - \$551 million, Charlottesville - \$405 million). This level of spending and related tax revenues (over \$46 million) from tourism surpassed pre-pandemic levels.

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, 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.

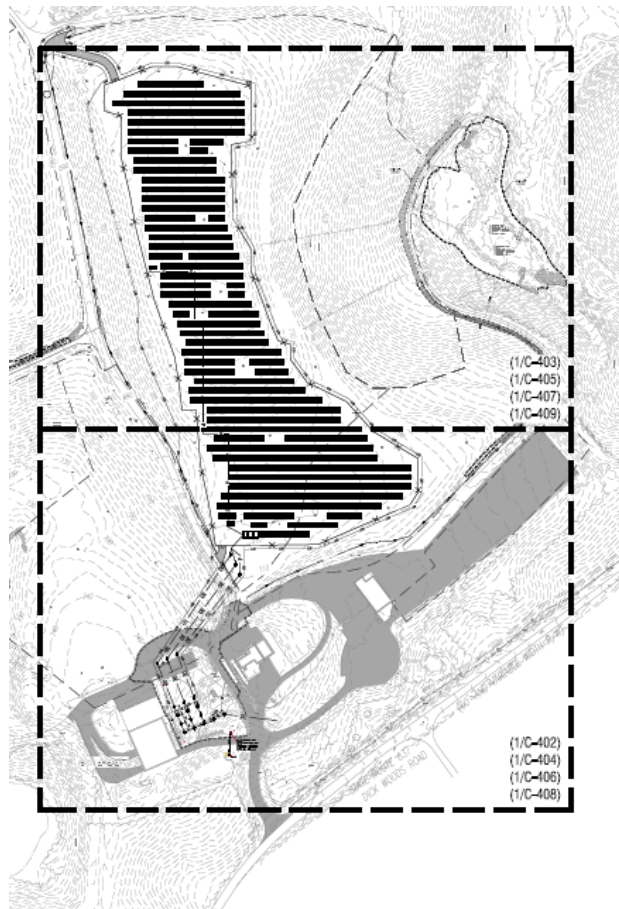
MAJOR INITIATIVES

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

Current Initiatives

- The Authority has constructed two new convenience centers in Albemarle County over the last four years, and they are now in full operation. A third convenience center is now being planned to serve the northern areas of the county and is being developed in cooperation with the County.
- A third-party vendor is developing a solar power facility to be located on one of the closed cells at the old Ivy landfill. Work was just beginning at the end of the year as nearly all the permitting requirements were obtained. This will generate an initial payment of \$100,000 when operations begin and could generate roughly \$10,000 - \$15,000 annually after that.

Cell 2 Solar Power Facility



MAJOR INITIATIVES: (CONTINUED)

Future Initiatives

- The Paper Sort Recycling facility, which is a transfer facility for recycled materials, is currently a rented facility located on Meade Avenue. Construction will begin this year to replace that facility and will be located at the Ivy site.
- A broad-ranging strategic plan will be initiated that will look at the best alternatives to meet the waste transfer needs and operations over the longer term.

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 & Information Technology 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 & Information Technology and the Executive Director. Projections of both revenues and expenses are understood to reflect anticipated service levels and to incorporate a variety of economic and demographic forecasts. Variances from budget line items are examined at least monthly to assure a direct relation between costs and actual service levels, emergencies or other contingent conditions.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rivanna Solid Waste Authority for its Annual Comprehensive Financial Report for the year ended June 30, 2023. This was the twenty-ninth consecutive year that this governmental unit has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

AWARDS: (CONTINUED)

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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.

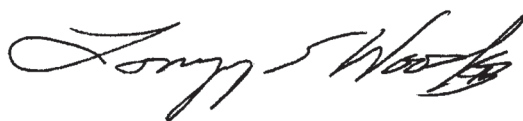
ACKNOWLEDGEMENTS

The help of staff 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
Executive Director



Lonzy E. Wood, III, CPA
Director of Finance & Information Technology

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
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**Rivanna Solid Waste Authority
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

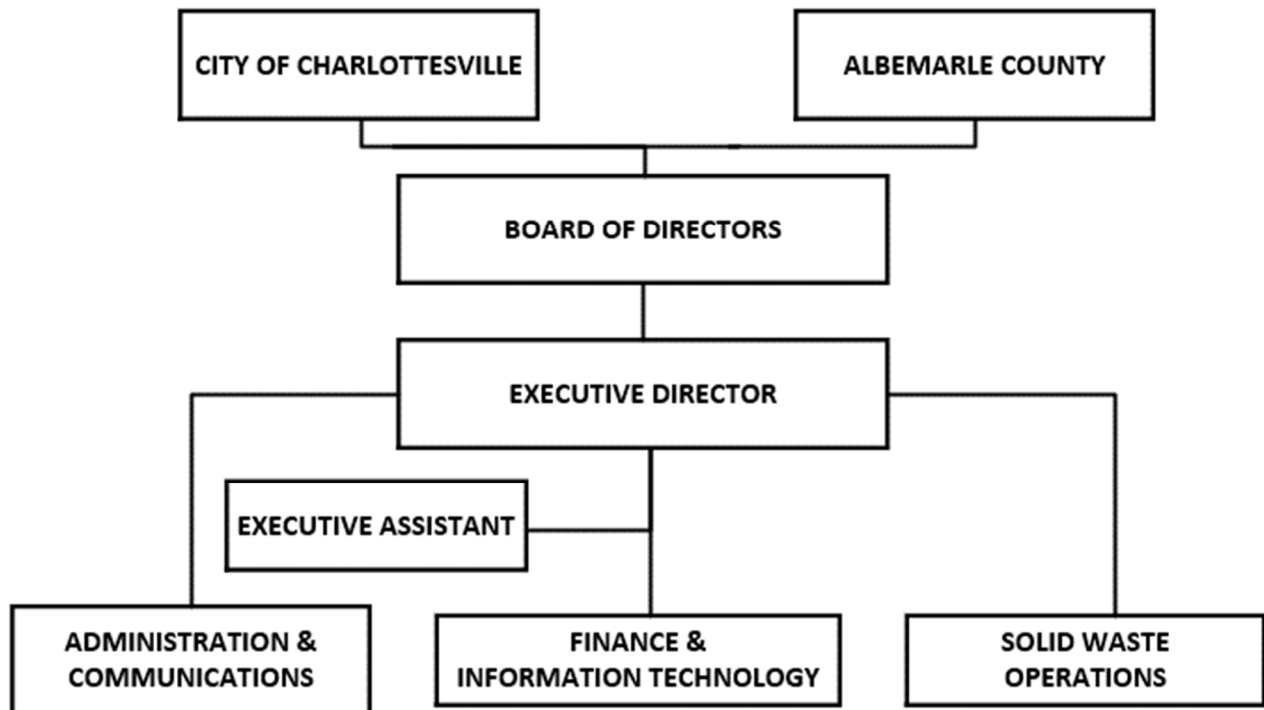
Christopher P. Morill

Executive Director/CEO

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Rivanna Solid Waste Authority

Organizational Chart



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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Rivanna Solid Waste Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Rivanna Solid Waste Authority, as of June 30, 2024, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rivanna Solid Waste Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rivanna Solid Waste Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, 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 31, 2024

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Management's Discussion and Analysis

**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, 2024. 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 28 through 31 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 33 through 58 of this report.

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

Financial Highlights

- The Authority's total net position increased by \$1.1 million (11%) this year, which indicates an improvement in its overall financial position.
- Total operating revenues increased \$599,000 this year, primarily due to receiving increased tonnages of domestic waste material.
- Transfer Station operating expenses increased by \$700,700 due to the added costs of processing more waste.

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 \$11.3 million. Total net position increased by \$1.1 million this year. Net position invested in capital assets increased by \$1 million this year due to capital expenditures on new facilities and equipment purchases. The Authority uses these capital assets to provide services to its customers, so these assets are not available for future spending.

	Net Position	
	2024	2023
Current and other assets	\$ 4,412,212	\$ 4,195,906
Capital assets	13,324,152	12,553,834
Total assets	<u>\$ 17,736,364</u>	<u>\$ 16,749,740</u>
Deferred outflows of resources	<u>\$ 80,466</u>	<u>\$ 85,801</u>
Current liabilities	\$ 1,507,986	\$ 1,664,829
Noncurrent liabilities	4,797,451	4,629,446
Total liabilities	<u>\$ 6,305,437</u>	<u>\$ 6,294,275</u>
Deferred inflows of resources	<u>\$ 188,879</u>	<u>\$ 326,716</u>
Net position:		
Net investment in capital assets	\$ 13,195,577	\$ 12,184,656
Restricted for net pension asset	338,017	269,499
Unrestricted	(2,211,080)	(2,239,605)
Total net position	<u>\$ 11,322,514</u>	<u>\$ 10,214,550</u>

Total operating revenues have seen significant growth this year with a 13% increase due to the receipt of increased waste tonnages. Tipping fees for municipal solid waste (MSW) and vegetative material increased by \$600,000 and \$92,000, respectively. Clean Fill tipping fees declined by \$146,000. The overall increase in revenues is a result of the improved capacity to process waste at the transfer station and a small increase in several tipping fees, which will be discussed in the Review of Operations section below. Recycling revenues increased \$85,000 due to a significant improvement in market prices for paper products despite a slight decline in tonnages received. The Review of Operations section provides more details on these changes.

Financial Analysis: (Continued)

Transfer station expenses increased \$700,700 (19%) this year due to large increases in waste received. See the Review of Operations section for more information.

	Changes in Net Position	
	2024	2023
Revenues:		
Operating revenues:		
Tipping fees	\$ 4,727,882	\$ 4,195,270
Recycling revenues	193,012	108,002
Other revenues	189,396	207,940
Nonoperating revenues:		
Local government contributions - remediation support	1,223,350	1,068,479
Local government contributions - operations support	2,358,303	2,559,601
Grants	69,265	64,707
Interest earned	147,276	102,786
Forestry revenue	-	11,952
Other income	3,613	900
Total revenues	<u>\$ 8,912,097</u>	<u>\$ 8,319,637</u>
Expenses:		
Operating expenses:		
Administration	\$ 1,103,323	\$ 957,616
Transfer station	4,408,396	3,707,728
Ivy Material Utilization Center	681,185	770,158
Ivy environmental	781,894	951,262
Recycling programs	1,196,111	1,059,626
Depreciation	446,440	319,470
Nonoperating expenses:		
Loss on disposal of assets	<u>-</u>	<u>(2,031)</u>
Total expenses	<u>\$ 8,617,349</u>	<u>\$ 7,763,829</u>
Income before capital grants	<u>\$ 294,748</u>	<u>\$ 555,808</u>
Capital grants	<u>\$ 813,216</u>	<u>\$ 1,108,328</u>
Change in net position	<u>\$ 1,107,964</u>	<u>\$ 1,664,136</u>
Net position, beginning of year	<u>10,214,550</u>	<u>8,554,476</u>
Net position, end of year	<u><u>\$ 11,322,514</u></u>	<u><u>\$ 10,218,612</u></u>

Capital Asset and Debt Administration

Capital Assets - The Authority's total capital assets net of accumulated depreciation increased by \$770,000 this year. The Authority spent \$545,000 on construction costs on the new recycling facilities, Southern Albemarle Convenience Center and Paper Sort replacement facility. The Authority also purchased a new inbound scale for the Ivy facility for \$120,000 and new vehicles and equipment for \$354,000. Ivy's asbestos disposal area was repaved (capped) for \$247,000. Depreciation is 40% higher than last year due to the increase in depreciable capital assets. Below is a comparison of the items that make up net capital assets at the end of the past two fiscal years.

	<u>2024</u>	<u>2023</u>
Land	\$ 5,943,439	\$ 5,943,439
Landfill site and land improvements	2,018,464	1,745,047
Construction in progress	419,339	67,313
Buildings and fixtures	2,480,094	2,557,913
Vehicles and equipment	<u>2,462,816</u>	<u>2,240,122</u>
Total capital assets, net	<u>\$ 13,324,152</u>	<u>\$ 12,553,834</u>

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 \$5.08 million obligation to close the transfer station and landfill site and to perform post-closure monitoring, an increase of \$162,000 over last year. The accrued costs increased due to inflation adjustments to projected future costs. More detailed information on the Authority's long-term liabilities is presented in the Review of Operations section and in Notes 7 and 9 of the notes to the financial statements.

Review of Operations

General: The Ivy transfer station has been in operation for several years and has shown to be a high-demand facility for waste disposal. The transfer station was constructed to replace the old 1990s era open-air transfer station that had a 250 tons per day permit limit. The Virginia Department of Environmental Quality (DEQ) required the replacement of the older facility because it did not meet modern permitting requirements.

The transfer station has a permitted capacity to process 450 tons of solid waste per day and is designed to more efficiently handle traffic flow to help eliminate customer waiting times for offloading their waste. Demand for this service has steadily increased over the last few years. At the end of the fiscal year, the transfer station was averaging 211 tons per day received and processed.

County Convenience Centers: FY 2024 was the first full year of operations for the new Southern Albemarle Convenience Center, which was opened in late in FY 2023 for receiving recycling materials and household waste. This added roughly \$170,000 to the budget for County Convenience Centers for FY 2024. The center is free for the public to use for recycling materials; however, household waste does require the purchase of a "tag-a-bag" for disposal. The center is located on Esmont Road off Route 20 in Keene, VA.

Review of Operations: (Continued)

The County has expressed more interest and need for solid waste service as evidenced by recent facility and program growth. This appears to be a continuing area of growth for the Authority with two new facilities over the last two years and a third new facility being planned for as the Northern Area Convenience Center.

Northern Convenience Center

- Planning Commission
Nov 2024
- Construction
July 2026 – June 2027
- \$1.8 M: 100% County



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

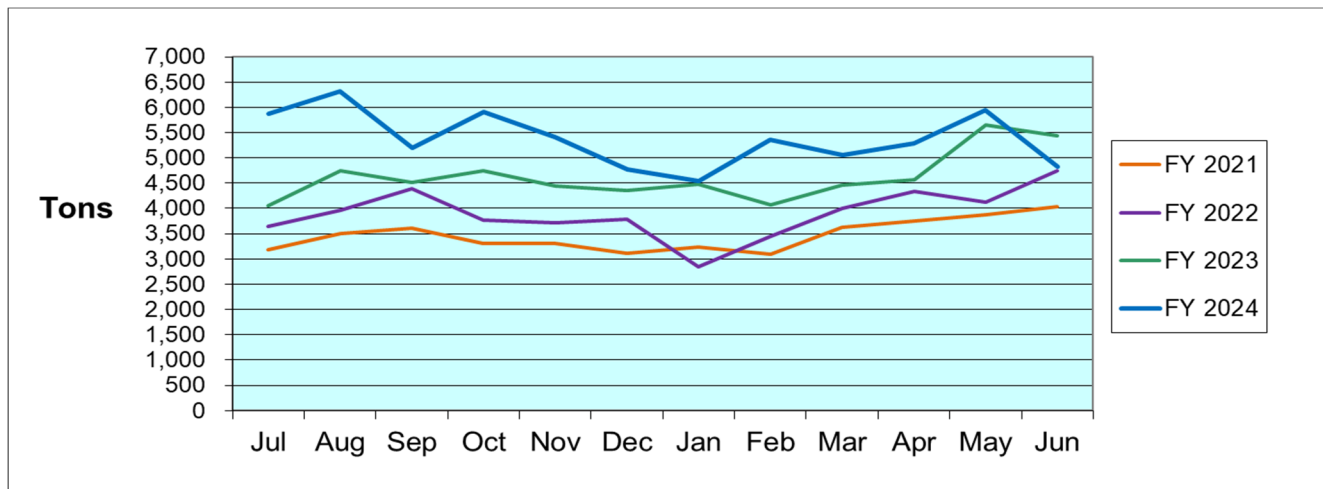
As you can see in the table below, tonnages received have increased significantly and steadily over the last few years. This was the 5th full year of operating the transfer station. MSW tipping fee revenues increased \$600,085 (20%) from the previous year due to 8,966 (16.1%) additional tons of waste received in FY 2024 over FY 2023. The tipping fee did increase \$2 per ton for MSW materials and accounted for \$128,450 of increased revenues.

Municipal Solid Waste Annual Tonnages	
FY 2021	41,634.25
FY 2022	46,773.37
FY 2023	55,527.71
FY 2024	64,493.77

Review of Operations: (Continued)

The Authority received approval from the DEQ for an increase in the per day tonnage limit of the facility. It was increased from 300 tons per day to 450 tons per day on average for acceptance of MSW in December 2021. The graph below also gives a good indication of the increased usage of the Ivy Transfer Station. This trend has been consistent over the last four years.

Ivy MSW Transfer Station Tonnages FY 2021-2024



Ivy Solid Waste and Recycling Center (ISWRC): Waste items are received at the ISWRC, where most of the items are processed for sale as recycling materials or reuse materials, such as metals, tires, and grindable vegetative material. Clean fill, which is inert material, is accepted as well, and is one of the materials that is not reused but stored on site. Tipping fees from these items generated \$1,194,100 in gross revenues for the Authority this year. This was slightly less than the previous year with a \$67,900 decrease compared to FY 2023. The Authority implemented a large quantity Clean Fill (soil, concrete without extended rebar, asphalt) program in 2022, which generated \$394,670 in revenues and brought in 112,800 tons of inert material. This program is temporary in nature as the storage site at the facility will reach capacity sometime in the next year or two. The Authority will attempt to identify alternative locations at Ivy to create another large quantity Clean Fill storage cell. This program was implemented to meet the needs of the construction community with large clean fill disposal needs. Contractors could apply to RSWA to reserve a 90-day window where they could dispose of at least 10,000 tons of clean fill at a reduced tipping fee (\$3.50 per ton versus the normal rate of \$10.00 per ton). To participate, the contractor assumes the responsibility to manage all of the clean fill placement, compaction, maintenance of stormwater controls and site roadways, and establishment of proper cover when the fill areas are complete. Vegetative materials generated \$437,600 in revenues for FY 2024 which was roughly 27% more than the previous year. This material is ground and shredded for reuse. The resale of items such as scrap metal and mulch resulted in revenues of \$59,000, which was a 11% decrease. The ISWRC continues to have the semiannual household hazardous waste (HHW) events for collection of paint, batteries, and other HHW, which cost \$187,400 this year. It is a very popular program that is financially supported by the county and city.

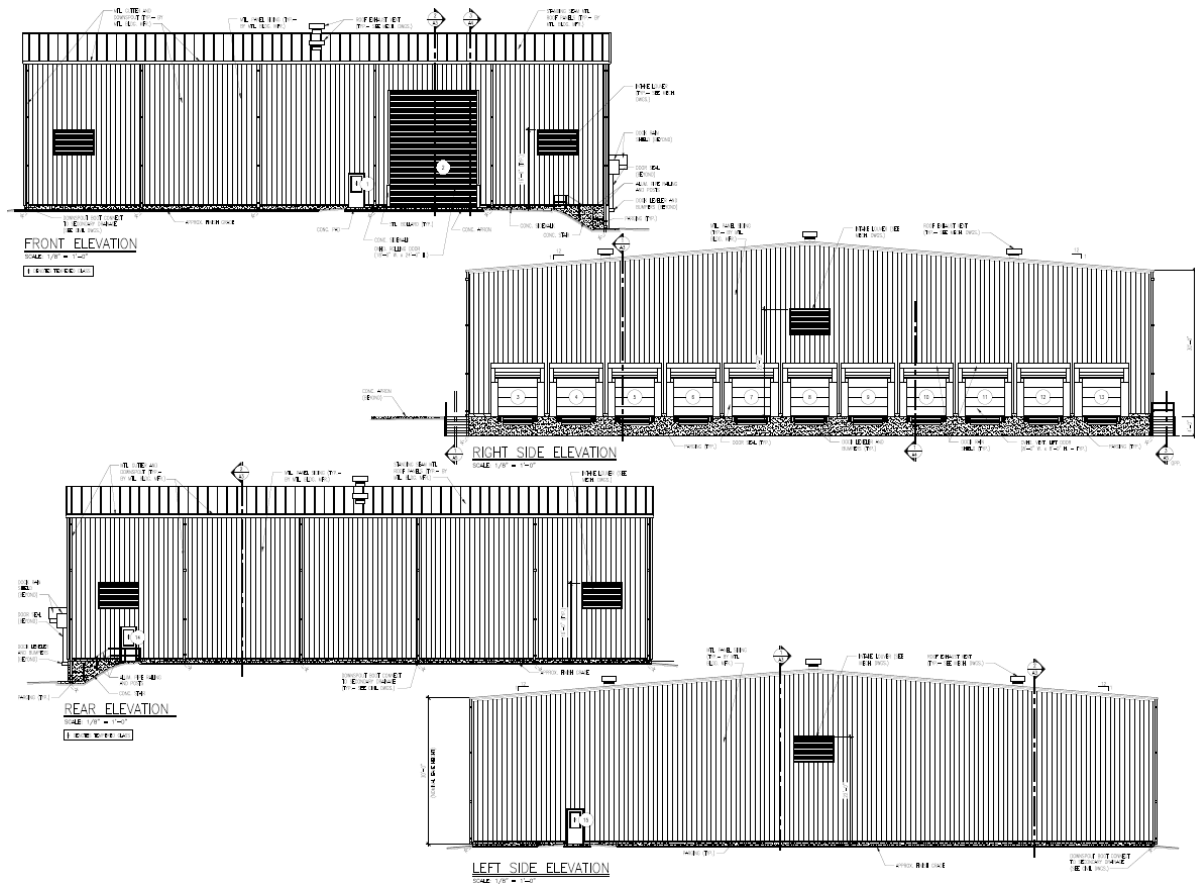
Recycling: The Authority assumed operational responsibility as of February 1992 for the McIntire Road Recycling Center (a drop-off facility located in the City). This center collects many of the traditional items (paper, glass, plastic, and cans) for recycling and other non-traditional items, like phone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

The Paper Sort Facility functions as a transfer station where the Authority receives newspaper, magazines, cardboard, and file stock (fiber products), metal cans, and plastic from the McIntire recycling center, County Convenience Centers, other smaller collection sites in the County and private haulers. The baler is used to ready the cardboard, boxboard, metal cans and plastic for transportation. The current facility has reached the end of its useful life. A suitable site located at the Ivy facility will be where a new baling center is constructed.

Review of Operations: (Continued)

The new facility will be 16,800 square feet and will be fully enclosed. There will be 2 balers instead of 1 with 11 trailer bays. Construction is planned to start between April 2025 to July 2025. Construction estimates are roughly \$6.4 million. This will expand the Authority's ability to process recycling materials. The County and City will direct fund this construction with local grants.

Baling Center

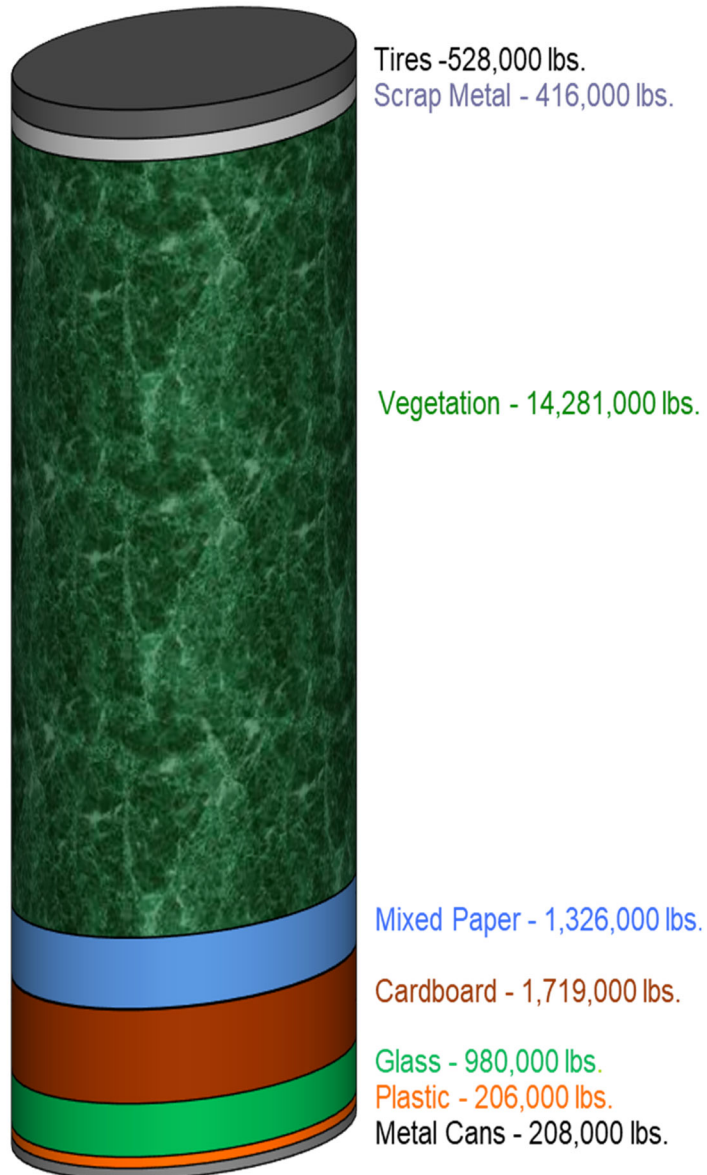


Contracts are in place to sell and transport these products to mills and processors, and many of our contractors consider our recycled material to be high quality relative to the material and the handling process (source separating and compact baling). This minimizes contamination of the materials. Recycling materials received for FY 2024 were down nearly 5% compared to the year before. However, prices received for recycling materials increased significantly. The average price per ton received for the two fiber products increased (44% for cardboard and 180% for mix paper) over last year. Recycling revenues generated for the fiscal year were \$193,000, which was an increase of 79% or \$85,000 from the previous year.

Review of Operations: (Continued)

RSWA FY 2024 Recycling & Reuse

McIntire Recycling Center, Paper Sort Facility, and Ivy Material Utilization Center



19,664,000 Pounds of Waste Diverted for Reuse or Recycling

The graphic on the left shows the amounts of all materials that were diverted from the waste stream by both the recycling operations and the operations at Ivy in FY 2024. 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 \$781,000 for this joint administrative service this year, as budgeted, to fund projected administrative expenses.

Environmental Remediation:

The Authority has long-term obligations for the remediation of the Ivy Landfill. In the late 1990s, it was confirmed that groundwater contamination had occurred at Ivy. A remediation program was developed that began with a “pump and treat” system on the west side. This effort was superseded in 2006 by a site-wide enhanced bioremediation program. Enhanced Bioremediation included the injection of carefully selected substrate material into the groundwater to enhance biological 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.

Review of Operations: (Continued)

Environmental Remediation: (Continued)

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

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

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

In a similar manner, the on-site stormwater conveyances (ditches and berms) can suffer from subsurface settlement and siltation of sediment. They have undergone periodic repair so that they continue to direct stormwater away from the waste disposal areas. These repair projects can be relatively large, like the \$200,000 project completed in 2021, or smaller like the periodic ditch maintenance efforts completed using existing staff and equipment. The remediation efforts and the Ivy site is inspected quarterly by the Department of Environmental Quality and all inspections were passed satisfactorily.

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.

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Basic Financial Statements

Statement of Net Position
At June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents (Notes 1 & 2)	\$ 2,959,124
Accounts receivable	<u>947,008</u>
Total current assets	<u>\$ 3,906,132</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents (Notes 1 & 2)	\$ <u>168,063</u>
Total restricted assets	<u>\$ 168,063</u>

Other Assets:

Net Pension Asset (Note 6)	\$ <u>338,017</u>
Total other assets	<u>\$ 338,017</u>

Capital assets (Note 3):

Land	\$ 5,943,439
Buildings and fixtures	2,896,128
Landfill site	5,665,500
Land improvements	2,468,090
Ivy landfill equipment	1,668,035
Vehicles	1,275,620
Office equipment	11,054
Recycling facilities equipment	985,840
Accumulated depreciation	<u>(8,008,893)</u>
Subtotal	<u>\$ 12,904,813</u>

Construction in progress (Note 4)	<u>\$ 419,339</u>
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Net capital assets	<u>\$ 13,324,152</u>
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Total noncurrent assets	<u>\$ 13,830,232</u>
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Total assets	<u>\$ 17,736,364</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows - pension (Note 6)	\$ 46,681
Deferred outflows - OPEB - group life insurance (Note 11)	<u>33,785</u>
Total deferred outflows of resources	<u>\$ 80,466</u>

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

Statement of Net Position (continued)
At June 30, 2024

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	\$ 1,040,628
Accrued landfill corrective action and post-closure costs	369,537
Compensated absences - current portion (Notes 5 & 9)	85,659
Other long-term obligation - current portion (Note 13)	<u>12,162</u>

Total current liabilities \$ 1,507,986

Noncurrent liabilities:

Payable from restricted assets:

Accrued transfer station closure costs (Note 7)	\$ 168,063
Accrued corrective action costs (Note 7)	1,526,292
Accrued post-closure monitoring costs (Note 7)	3,015,515
Other long-term obligation (Note 13)	25,337
Net OPEB liability (Note 11)	<u>62,244</u>

Total noncurrent liabilities \$ 4,797,451

Total liabilities \$ 6,305,437

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pension (Note 6)	\$ 180,158
Deferred inflows - OPEB - group life insurance (Note 11)	<u>8,721</u>

Total deferred inflows of resources \$ 188,879

NET POSITION

Net position:

Net investment in capital assets	\$ 13,195,577
Restricted for net pension asset	338,017
Unrestricted	<u>(2,211,080)</u>
Total net position	\$ <u><u>11,322,514</u></u>

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

RIVANNA SOLID WASTE AUTHORITY**Exhibit 2**Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2024

Operating revenues:	
Tipping fees	\$ 4,727,882
Recycling revenues	193,012
Other revenues	<u>189,396</u>
 Total operating revenues	 \$ <u>5,110,290</u>
Operating expenses:	
Administration	\$ 1,103,323
Transfer station	4,408,396
Ivy Material Utilization Center	681,185
Ivy environmental	781,894
Recycling programs	1,196,111
Depreciation	<u>446,440</u>
 Total operating expenses	 \$ <u>8,617,349</u>
 Operating income (loss)	 \$ <u>(3,507,059)</u>
Nonoperating revenues (expenses):	
Interest earned	\$ 147,276
Local government contributions - remediation support	1,223,350
Local government contributions - operations support	2,358,303
Grants	69,265
Forestry revenue	-
Other income	<u>3,613</u>
 Total nonoperating revenues (expenses)	 \$ <u>3,801,807</u>
 Income before capital grants	 \$ 294,748
 Capital grants	 <u>813,216</u>
 Change in net position	 \$ 1,107,964
Net position, beginning of year	<u>10,214,550</u>
 Net position, end of year	 \$ <u><u>11,322,514</u></u>

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

RIVANNA SOLID WASTE AUTHORITY**Exhibit 3**Statement of Cash Flows
Year Ended June 30, 2024

Cash flows from operating activities:	
Receipts from customers and users	\$ 4,722,325
Payments to suppliers	(5,900,459)
Payments to and on behalf of employees	<u>(2,219,704)</u>
Net cash provided by (used for) operating activities	\$ <u>(3,397,839)</u>
Cash flows from noncapital financing activities:	
Contributions from local governments	\$ 3,581,653
Grant income	<u>69,265</u>
Net cash provided by (used for) noncapital financing activities	\$ <u>3,650,918</u>
Cash flows from capital and related financing activities:	
Additions to capital assets	\$ (1,457,361)
Capital grants	<u>813,216</u>
Net cash provided by (used for) capital and related financing activities	\$ <u>(644,145)</u>
Cash flows from investing activities:	
Interest received	\$ <u>147,276</u>
Net cash provided by (used for) investing activities	\$ <u>147,276</u>
Increase (decrease) in cash and cash equivalents	\$ (243,790)
Cash and cash equivalents at beginning of year (including \$162,694 reported in restricted accounts)	<u>3,370,977</u>
Cash and cash equivalents at end of year (including \$168,063 reported in restricted accounts)	\$ <u><u>3,127,187</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (3,507,059)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	446,440
Other nonoperating income	3,613
Changes in operating assets and liabilities, deferred outflows of resources and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(391,578)
(Increase) decrease in net pension asset	(68,518)
Increase (decrease) in accounts payable and accrued expenses	86,235
Increase (decrease) in net OPEB liability	5,170
Increase (decrease) in other long-term obligations	(12,162)
Increase (decrease) in compensated absences	10,255
(Increase) decrease in deferred outflows of resources - pension	6,494
Increase (decrease) in deferred inflows of resources - pension	(135,129)
(Increase) decrease in deferred outflows of resources - OPEB - GLI	(1,159)
Increase (decrease) in deferred inflows of resources - OPEB - GLI	(2,708)
Increase (decrease) in accrued landfill and transfer station obligations	<u>162,267</u>
Net cash provided by (used for) operating activities	\$ <u><u>(3,397,839)</u></u>

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

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RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024

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

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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

B. Basic Financial Statements (Continued)

- Enterprise fund financial statements
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows
 - Notes to Financial Statements
- Required Supplementary Information
 - Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 - Schedule of Employer Contributions-Pension Plan
 - Notes to Required Supplementary Information-Pension Plan
 - Schedule of Authority's Share of Net OPEB Liability-Group Life Insurance Plan
 - Schedule of Employer Contributions-Group Life Insurance Plan
 - Notes to Required Supplementary Information-Group Life Insurance Plan

C. Basis of Accounting

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

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

D. Cash and Cash Equivalents

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

E. Restricted Assets

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

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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

F. Capital Assets

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

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

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

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

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

Land and construction in progress are not depreciated. Other tangible property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and fixtures	7 to 40
Land improvements	15 to 20
Vehicles and equipment	5 to 20

Total depreciation for the years ended June 30, 2024 and 2023 was \$446,440 and \$319,470, respectively.

G. Other Significant Accounting Policies

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

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category. Certain items related to pension and OPEB 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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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 & 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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 2–DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

The Authority’s rated debt investments as of June 30, 2024 were rated by Standard & Poor’s and the ratings are presented below using the Standard & Poor’s rating scale.

Rated Debt Investments	Fair Quality
	Ratings
	AAAm
Local Government Investment Pool	\$ 1,728,952
Total	\$ 1,728,952

Interest Rate Risk

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 1,728,952	\$ 1,728,952
Total	\$ 1,728,952	\$ 1,728,952

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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 3—CAPITAL ASSETS:

A summary of changes in capital assets for the year ended June 30, 2024 follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 5,943,439	\$ -	\$ -	\$ 5,943,439
Construction in progress	<u>67,313</u>	<u>544,836</u>	<u>192,810</u>	<u>419,339</u>
Total capital assets not being depreciated	<u>\$ 6,010,752</u>	<u>\$ 544,836</u>	<u>\$ 192,810</u>	<u>\$ 6,362,778</u>
Other Capital Assets:				
Buildings & fixtures	\$ 2,896,128	\$ -	\$ -	\$ 2,896,128
Accumulated depreciation	(338,215)	(77,819)	-	(416,034)
Landfill site	5,665,500	-	-	5,665,500
Accumulated depreciation	(5,665,500)	-	-	(5,665,500)
Land improvements	2,077,785	390,305	-	2,468,090
Accumulated depreciation	(332,738)	(116,888)	-	(449,626)
Ivy Landfill equipment	1,416,321	251,714	-	1,668,035
Accumulated depreciation	(548,833)	(100,011)	-	(648,844)
Vehicles	1,104,807	170,813	-	1,275,620
Accumulated depreciation	(462,762)	(98,286)	-	(561,048)
Office equipment	11,054	-	-	11,054
Accumulated depreciation	(1,105)	(2,211)	-	(3,316)
Recycling facilities equipment	933,940	51,900	-	985,840
Accumulated depreciation	<u>(213,300)</u>	<u>(51,225)</u>	<u>-</u>	<u>(264,525)</u>
Other capital assets, net	<u>\$ 6,543,082</u>	<u>\$ 418,292</u>	<u>\$ -</u>	<u>\$ 6,961,374</u>
Capital assets, net	<u><u>\$ 12,553,834</u></u>	<u><u>\$ 963,128</u></u>	<u><u>\$ 192,810</u></u>	<u><u>\$ 13,324,152</u></u>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 4—CONSTRUCTION IN PROGRESS:

At June 30, 2024 the Authority had \$419,339 construction in progress.

Details of construction in progress for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Cost of Construction	Expense/ Transfer to Capital Assets	Balance June 30, 2024
Paper Sort Replacement	\$ 17,522	\$ 401,817	\$ -	\$ 419,339
Southern Convenience Center	-	143,019	143,019	-
Retainage on Construction	49,791	-	49,791	-
Total	<u>\$ 67,313</u>	<u>\$ 544,836</u>	<u>\$ 192,810</u>	<u>\$ 419,339</u>

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, 2024, the liability for accrued vacation leave was \$85,659.

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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Benefit Structures

The System administers three different benefit structures for covered employees – Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive members or their beneficiaries currently receiving benefits	16
Inactive members:	
Vested inactive members	1
Non-vested inactive members	14
Long-term disability (LTD)	0
Inactive members active elsewhere in VRS	3
Inactive members	18
Active members	20
Total covered employees	54

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, 2024 was 4.86% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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 \$46,681 and \$40,378 for the years ended June 30, 2024 and June 30, 2023, 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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

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, 2022, 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, 2023.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

Mortality rates: (Continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return*</u>
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>8.25%</u>

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.41%, including expected inflation of 2.50%.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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, 2023, 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, 2022 actuarial valuations, whichever was greater. From July 1, 2023 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 2,754,757	\$ 3,024,256	\$ (269,499)
Changes for the year:			
Service cost	\$ 98,231	\$ -	\$ 98,231
Interest	186,627	-	186,627
Differences between expected and actual experience	(69,372)	-	(69,372)
Assumption changes	-	-	-
Contributions - employer	-	40,375	(40,375)
Contributions - employee	-	52,330	(52,330)
Net investment income	-	193,175	(193,175)
Benefit payments, including refunds	(176,280)	(176,280)	-
Administrative expenses	-	(1,954)	1,954
Other changes	-	78	(78)
Net changes	\$ 39,206	\$ 107,724	\$ (68,518)
Balances at June 30, 2023	\$ 2,793,963	\$ 3,131,980	\$ (338,017)

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 6—PENSION PLAN: (CONTINUED)

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

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

	Rate		
	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
Rivanna Solid Waste Authority's Net Pension Liability	\$ (56,992)	\$ (338,017)	\$ (571,802)

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

For the year ended June 30, 2024, the Authority recognized pension expense of \$(150,475). At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ 132,439
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	47,719
Employer contributions subsequent to the measurement date	<u>46,681</u>	<u>-</u>
Total	<u>\$ 46,681</u>	<u>\$ 180,158</u>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 6–PENSION PLAN: (CONTINUED)

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

\$46,681 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, 2025. 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:

<u>Year ended June 30</u>		
2025	\$	(152,015)
2026		(73,209)
2027		43,452
2028		1,614
2029		-
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 7–CLOSURE AND POST-CLOSURE CARE COSTS:

State and federal laws and regulations require the Authority to place a final cover on its Ivy landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although the landfill has stopped operating as a landfill, the Authority must recognize the estimated costs of closure corrective action and post-closure care as a liability on the financial statements. As work is completed, the liability recognized by the Virginia Department of Environmental Quality is reduced. The Authority is implementing a corrective action plan to correct detected environmental issues at the landfill. The amount recorded as accrued corrective action costs is \$1,675,889 at June 30, 2024. The \$3,235,455 reported as post-closure monitoring liability at June 30, 2024 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 \$168,063. Total closure corrective action and post-closure care costs and post-closure monitoring costs accrued at June 30, 2024 are \$5,079,407. 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 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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

The Authority is required by state and federal laws and regulations to meet certain financial assurance requirements. The Authority has opted to meet these requirements through agreements with the participating localities, County of Albemarle and City of Charlottesville. The agreement provides guarantees by the County of Albemarle in the amount of \$3,066,618 and the City of Charlottesville in the amount of \$1,687,829 for a total guarantee of \$4,754,447. 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 \$168,063.

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, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Landfill and transfer station closure/ corrective action/post-closure costs	\$ 4,917,140	\$ 162,267	\$ -	\$ 5,079,407	\$ 369,537
Compensated absences	75,404	96,778	86,523	85,659	85,659
VERIP liability	49,661	-	12,162	37,499	12,162
Net OPEB liability	57,074	47,092	41,922	62,244	-
Totals	<u>\$ 5,099,279</u>	<u>\$ 306,137</u>	<u>\$ 140,607</u>	<u>\$ 5,264,809</u>	<u>\$ 467,358</u>

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

NOTE 10—OTHER POSTEMPLOYMENT BENEFITS—HEALTH INSURANCE:

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

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,254 as of June 30, 2024.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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, 2024 was 0.54% of covered employee compensation. This rate was the approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$7,835 and \$6,556 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The entity's proportionate share is reflected in the operating expenses of the financial statements.

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, 2024, the entity reported a liability of \$62,244 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023 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, 2022 and rolled forward to the measurement date of June 30, 2023. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.00519% as compared to 0.00474% at June 30, 2022.

For the year ended June 30, 2024, the participating employer recognized GLI OPEB expense of \$9,713. 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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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, 2024, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,217	\$ 1,889
Net difference between projected and actual earnings on GLI OPEB plan investments	-	2,501
Change in assumptions	1,330	4,313
Changes in proportionate share	18,403	18
Employer contributions subsequent to the measurement date	<u>7,835</u>	<u>-</u>
Total	\$ <u><u>33,785</u></u>	\$ <u><u>8,721</u></u>

\$7,835 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, 2025. 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:

<u>Year Ended June 30,</u>	
2025	\$ 6,470
2026	2,659
2027	4,503
2028	2,047
2029	1,550
Thereafter	-

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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, 2022, 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, 2023. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

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

- Pre-Retirement:
Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
- Post-Retirement:
Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
- Post-Disablement:
Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
- Beneficiaries and Survivors:
Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$	3,907,052
Plan Fiduciary Net Position		<u>2,707,739</u>
GLI Net OPEB Liability (Asset)	\$	<u><u>1,199,313</u></u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		69.30%

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.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	<u>100.00%</u>		<u>5.75%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>8.25%</u>

*The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.14%, including expected inflation of 2.50%.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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 employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2023, 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 113% of the actuarially determined contribution rate. From July 1, 2023 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

The following presents the employer’s proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer’s proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Authority's proportionate share of the GLI Plan Net OPEB Liability	\$ 92,266	\$ 62,244	\$ 37,972

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2023-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 and engineering expenses, which totaled \$789,695 this fiscal year and \$10,063 for leachate acceptance and treatment and other services. RSWA billed RWSA \$11,205 for hauling and tipping fees. RSWA owed RWSA \$85,193 as of June 30, 2024.

RIVANNA SOLID WASTE AUTHORITY

Notes to the Financial Statements
At June 30, 2024 (Continued)

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, 2024 was \$37,499. The amount payable within the next year is \$12,162.

NOTE 14—UPCOMING PRONOUNCEMENTS:

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

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

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

Required Supplementary Information

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Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 98,231	\$ 87,041	\$ 72,286	\$ 65,964	\$ 48,126
Interest	186,627	199,858	194,972	180,635	179,595
Differences between expected and actual experience	(69,372)	(319,185)	(214,454)	171,449	25,190
Changes of assumptions	-	-	124,079	-	59,564
Benefit payments	(176,280)	(173,549)	(209,521)	(201,784)	(202,306)
Net change in total pension liability	\$ 39,206	\$ (205,835)	\$ (32,638)	\$ 216,264	\$ 110,169
Total pension liability - beginning	<u>2,754,757</u>	<u>2,960,592</u>	<u>2,993,230</u>	<u>2,776,966</u>	<u>2,666,797</u>
Total pension liability - ending (a)	<u>\$ 2,793,963</u>	<u>\$ 2,754,757</u>	<u>\$ 2,960,592</u>	<u>\$ 2,993,230</u>	<u>\$ 2,776,966</u>
Plan fiduciary net position					
Contributions - employer	\$ 40,375	\$ 85,681	\$ 74,212	\$ 64,044	\$ 54,508
Contributions - employee	52,330	44,129	38,454	34,125	28,756
Net investment income	193,175	(3,290)	674,788	48,159	162,931
Benefit payments	(176,280)	(173,549)	(209,521)	(201,784)	(202,306)
Administrator charges	(1,954)	(1,912)	(1,730)	(1,697)	(1,710)
Other	78	71	63	(56)	(102)
Net change in plan fiduciary net position	\$ 107,724	\$ (48,870)	\$ 576,266	\$ (57,209)	\$ 42,077
Plan fiduciary net position - beginning	<u>3,024,256</u>	<u>3,073,126</u>	<u>2,496,860</u>	<u>2,554,069</u>	<u>2,511,992</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,131,980</u>	<u>\$ 3,024,256</u>	<u>\$ 3,073,126</u>	<u>\$ 2,496,860</u>	<u>\$ 2,554,069</u>
Authority's net pension liability (asset) - ending (a) - (b)	\$ (338,017)	\$ (269,499)	\$ (112,534)	\$ 496,370	\$ 222,897
Plan fiduciary net position as a percentage of the total pension liability (asset)	112.10%	109.78%	103.80%	83.42%	91.97%
Covered payroll	\$ 1,223,104	\$ 1,030,146	\$ 896,032	\$ 788,796	\$ 653,939
Authority's net pension liability (asset) as a percentage of covered payroll	-27.64%	-26.16%	-12.56%	62.93%	34.09%

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2023

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	46,031	\$ 48,984	\$ 47,552	\$ 44,891	\$ 57,148
Interest	172,406	170,210	167,674	172,433	165,972
Differences between expected and actual experience	69,836	6,093	(34,352)	(157,193)	-
Changes of assumptions	-	(29,532)	-	-	-
Benefit payments	(168,839)	(159,924)	(129,362)	(126,868)	(134,796)
Net change in total pension liability	119,434	\$ 35,831	\$ 51,512	\$ (66,737)	\$ 88,324
Total pension liability - beginning	2,547,363	2,511,532	2,460,020	2,526,757	2,438,433
Total pension liability - ending (a)	<u>2,666,797</u>	<u>\$ 2,547,363</u>	<u>\$ 2,511,532</u>	<u>\$ 2,460,020</u>	<u>\$ 2,526,757</u>
Plan fiduciary net position					
Contributions - employer	32,983	\$ 32,319	\$ 40,825	\$ 38,370	\$ 44,486
Contributions - employee	20,620	20,045	20,729	19,552	18,368
Net investment income	178,448	272,976	38,903	103,238	317,095
Benefit payments	(168,839)	(159,924)	(129,362)	(126,868)	(134,796)
Administrator charges	(1,606)	(1,651)	(1,465)	(1,462)	(1,754)
Other	(156)	(239)	(17)	(21)	17
Net change in plan fiduciary net position	61,450	\$ 163,526	\$ (30,387)	\$ 32,809	\$ 243,416
Plan fiduciary net position - beginning	2,450,542	2,287,016	2,317,403	2,284,594	2,041,178
Plan fiduciary net position - ending (b)	<u>2,511,992</u>	<u>\$ 2,450,542</u>	<u>\$ 2,287,016</u>	<u>\$ 2,317,403</u>	<u>\$ 2,284,594</u>
Authority's net pension liability (asset) - ending (a) - (b)	154,805	\$ 96,821	\$ 224,516	\$ 142,617	\$ 242,163
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.20%	96.20%	91.06%	94.20%	90.42%
Covered payroll	441,868	\$ 429,354	\$ 422,207	\$ 395,326	\$ 367,351
Authority's net pension liability (asset) as a percentage of covered payroll	35.03%	22.55%	53.18%	36.08%	65.92%

RIVANNA SOLID WASTE AUTHORITY

Schedule of Employer Contributions

Pension Plan

Years Ended June 30, 2015 through June 30, 2024

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)
2024	\$ 46,681	\$ 46,681	\$ -	\$ 1,458,278	3.20%
2023	40,378	40,378	-	1,223,104	3.30%
2022	85,680	85,680	-	1,030,146	8.32%
2021	74,214	74,214	-	896,032	8.28%
2020	64,022	64,022	-	788,796	8.12%
2019	54,531	54,531	-	653,939	8.34%
2018	32,983	32,983	-	441,868	7.46%
2017	32,319	32,319	-	429,354	7.53%
2016	40,825	40,825	-	422,207	9.67%
2015	38,370	38,370	-	395,326	9.71%

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

RIVANNA SOLID WASTE AUTHORITY

Notes to Required Supplementary Information
Pension Plan
Year Ended June 30, 2024

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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

RIVANNA SOLID WASTE AUTHORITY

Schedule of Employer's Share of Net GLI OPEB Liability

Group Life Insurance Plan (GLI)

For the Measurement Dates of June 30, 2017 through June 30, 2023

Date	Employer's Portion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (Asset)
(1)	(2)	(3)	(4)	(5)	(6)
2023	0.00519% \$	62,244 \$	1,223,104	5.09%	69.30%
2022	0.00474%	57,074	1,030,146	5.54%	67.21%
2021	0.00434%	50,530	896,032	5.64%	67.45%
2020	0.00383%	63,917	788,796	8.10%	52.64%
2019	0.00334%	54,351	653,939	8.31%	52.00%
2018	0.00234%	36,000	441,868	8.15%	51.22%
2017	0.00233%	36,000	429,354	8.38%	48.86%

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

RIVANNA SOLID WASTE AUTHORITY

Schedule of Employer Contributions

Group Life Insurance OPEB Plan

Years Ended June 30, 2017 through June 30, 2024

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)
2024	\$ 7,835	\$ 7,835	\$ -	\$ 1,458,278	0.54%
2023	6,556	6,556	-	1,223,104	0.54%
2022	5,522	5,522	-	1,030,146	0.54%
2021	4,803	4,803	-	896,032	0.54%
2020	4,133	4,133	-	788,796	0.52%
2019	3,428	3,428	-	653,939	0.52%
2018	2,333	2,333	-	441,868	0.53%
2017	2,233	2,233	-	429,354	0.52%

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

RIVANNA SOLID WASTE AUTHORITY

Notes to Required Supplementary Information
Group Life Insurance OPEB Plan
Year Ended June 30, 2024

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, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees:

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

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Statistical Section

Contents

Tables

Financial Trends

This table contains trend information to help the reader understand how the the Authority's financial performance has changed over time.

1

Revenue, Expenses, Rates and Tonnage Information

These tables contain information to help the reader assess the factors affecting the Authority's change in revenues and it's ability to generate revenues as well as operating expenses the Authority generates.

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Debt Capacity

This table presents information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue debt in the future.

7

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time.

8-9

Operating Information

These tables contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the activities it performs.

10-11

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

RIVANNA SOLID WASTE AUTHORITY

Table 1

Net Position by Component
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Investment in capital assets	\$ 13,195,577	\$ 12,184,656	\$ 10,541,841	\$ 10,364,788	\$ 10,061,747	\$ 10,062,470	\$ 9,192,978	\$ 6,840,559	\$ 6,268,650	\$ 6,246,134
Restricted	338,017	269,499	112,534	-	-	-	-	-	-	-
Unrestricted	(2,211,080)	(2,239,605)	(2,099,899)	(2,920,726)	(2,403,124)	(2,777,754)	(2,677,368)	(1,955,587)	(1,837,329)	(2,412,362)
Total net position	<u>\$ 11,322,514</u>	<u>\$ 10,214,550</u>	<u>\$ 8,554,476</u>	<u>\$ 7,444,062</u>	<u>\$ 7,658,623</u>	<u>\$ 7,284,716</u>	<u>\$ 6,515,610</u>	<u>\$ 4,884,972</u>	<u>\$ 4,431,321</u>	<u>\$ 3,833,772</u>

RIVANNA SOLID WASTE AUTHORITY
Table 2

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Operating revenues:										
Tipping fees	\$ 4,727,882	\$ 4,195,270	\$ 3,427,808	\$ 2,670,483	\$ 2,025,890	\$ 1,321,174	\$ 878,841	\$ 876,382	\$ 723,803	\$ 685,784
Recycling revenues	193,012	108,002	293,904	169,958	78,620	152,871	195,912	227,614	138,239	126,178
Other revenue	189,396	207,940	217,825	246,668	193,129	238,541	233,133	214,771	191,172	257,404
Total operating revenues	\$ 5,110,290	\$ 4,511,212	\$ 3,939,537	\$ 3,087,109	\$ 2,297,639	\$ 1,712,586	\$ 1,307,886	\$ 1,318,767	\$ 1,053,214	\$ 1,069,366
Operating expenses:										
Administration	\$ 1,103,323	\$ 957,616	\$ 808,381	\$ 773,225	\$ 734,937	\$ 687,571	\$ 496,812	\$ 388,524	\$ 398,610	\$ 338,200
Transfer station	4,408,396	3,707,728	3,190,458	2,755,654	2,108,670	1,419,777	909,581	808,104	798,313	754,792
Ivy Material Utilization Center	681,185	770,158	551,280	427,544	433,143	359,715	298,782	259,669	257,481	205,089
Ivy environmental ***	781,894	951,262	(267,428)	1,046,934	497,466	524,934	425,466	264,995	(13,152)	318,515
Recycling programs	1,196,111	1,059,626	873,618	830,496	587,334	431,398	455,216	312,052	296,725	239,660
Depreciation	446,440	319,470	242,548	201,601	178,921	120,830	58,566	51,789	54,885	66,639
Total operating expenses	\$ 8,617,349	\$ 7,765,860	\$ 5,398,857	\$ 6,035,454	\$ 4,540,471	\$ 3,544,225	\$ 2,644,423	\$ 2,085,133	\$ 1,792,862	\$ 1,922,895
Operating income (loss)	\$ (3,507,059)	\$ (3,254,648)	\$ (1,459,320)	\$ (2,948,345)	\$ (2,242,832)	\$ (1,831,639)	\$ (1,336,537)	\$ (766,366)	\$ (739,648)	\$ (853,529)
Nonoperating revenues (expenses):										
Interest earned	\$ 147,276	\$ 102,786	\$ 7,704	\$ 6,268	\$ 44,016	\$ 69,162	\$ 50,437	\$ 31,333	\$ 16,107	\$ 8,745
Local government contributions - remediation support	1,223,350	1,068,479	970,494	858,997	1,070,582	383,742	396,787	576,714	720,151	809,908
Local government contributions - operations support	2,358,303	2,559,601	1,485,012	1,469,388	1,423,208	1,078,539	747,161	368,856	542,926	398,040
Grant income	69,265	64,707	40,120	45,607	24,693	29,597	27,118	27,811	28,878	28,562
Forestry revenue	-	11,952	63,204	4,500	-	-	-	-	-	-
Other income	3,613	900	1,200	504	5,556	7,308	8,034	5,220	31,800	-
Gain (loss) on disposal of assets	-	(2,031)	2,000	53,907	(4,264)	(42,728)	5,846	-	(2,665)	-
Total nonoperating revenues (expenses)	\$ 3,801,807	\$ 3,806,394	\$ 2,569,734	\$ 2,439,171	\$ 2,563,791	\$ 1,525,620	\$ 1,235,383	\$ 1,009,934	\$ 1,337,197	\$ 1,245,255
Income before capital grants	\$ 294,748	\$ 551,746	\$ 1,110,414	\$ (509,174)	\$ 320,959	\$ (306,019)	\$ (101,154)	\$ 243,568	\$ 597,549	\$ 391,726
Capital grants	813,216	1,108,328	-	294,613	52,948	1,075,125	1,771,792	210,083	-	-
Change in net position	\$ 1,107,964	\$ 1,660,074	\$ 1,110,414	\$ (214,561)	\$ 373,907	\$ 769,106	\$ 1,670,638	\$ 453,651	\$ 597,549	\$ 391,726

*** 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	Tires	Clean Fill	Large Fill	Grindable Vegetative Material
2015	7,097	133	5,952	-	1,874
2016	7,761	169	5,889	-	1,560
2017	8,341	87	6,354	-	2,864
2018	8,423	58	4,819	-	2,199
2019	16,404	171	7,764	-	2,989
2020	29,364	91	11,368	-	4,556
2021	41,634	289	10,160	-	4,052
2022	46,773	66	21,763	70,709	7,210
2023	55,528	264	31,003	149,322	7,141
2024	64,494	212	29,074	112,763	8,672

RIVANNA SOLID WASTE AUTHORITY
Table 4

Waste Tonnages Diverted for Reuse or Recycling
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cardboard (corrugated)	924	860	853	843	561	807	763	812	459	278
Newspaper, magazines, catalogs	1	9	-	-	120	427	424	419	512	524
Mixed paper and phone books	581	651	835	777	792	265	186	156	214	212
File stock (office paper)	1	2	-	22	77	128	111	122	125	125
Glass	379	490	591	564	467	411	252	252	191	219
Metal cans	112	104	100	96	54	58	41	31	32	30
Plastic	121	103	130	146	114	127	103	86	82	95
White goods (scrap metal)	158	208	276	316	213	173	119	123	107	80
Vegetation	8,672	7,141	7,210	4,052	4,556	2,989	2,199	2,864	1,560	1,874
Pallets	-	-	-	-	21	73	77	72	55	79
Tires	212	264	66	288	91	171	58	87	169	133
	<u>11,161</u>	<u>9,832</u>	<u>10,061</u>	<u>7,104</u>	<u>7,066</u>	<u>5,629</u>	<u>4,333</u>	<u>5,024</u>	<u>3,506</u>	<u>3,649</u>

RIVANNA SOLID WASTE AUTHORITY

Table 5

Tipping Fees Per Ton By Waste Category
Last Ten Fiscal Years

Waste Category	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Municipal:										
Ivy Transfer Station	\$ 54.00	\$ 52.00	\$ 52.00	\$ 52.00	\$ 52.00	\$ 52.00	\$ 66.00	\$ 66.00	\$ 66.00	\$ 66.00
Vegetative	50.00	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	54.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
Clean-Fill	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00	8.00
Bulk Clean-Fill	3.50	3.50	3.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pallets	N/A	N/A	N/A	N/A	N/A	48.00	48.00	48.00	48.00	48.00

Note 1: In FY 2024, the Authority began charging the regular municipal tipping fee for Non-Free White Goods
Note 2: The tipping fee per ton for Ivy Transfer Station municipal waste decreased from \$66.00 to \$52.00 effective January 1, 2019

RIVANNA SOLID WASTE AUTHORITY

Table 6

Top Ten Customers
Current Year and Nine Years Ago

Fiscal Year 2024 (Current Year):

	Operating Revenues	
	Amount	% of Total
Waste Management of VA, Inc.	696,405	14%
Faulconer Construction Co Inc.	417,921	8%
County Waste - Time	397,054	8%
B&L Dumpsters, LLC	326,474	6%
Cavalier Container, LLC	237,181	5%
BFI Waste Services LLC	204,696	4%
Neighborhood Disposal LLC	190,085	4%
Contour Construction LLC	135,589	3%
VAN DER LINDE RECYCLING	133,058	3%
Sonoco	120,984	2%
Subtotal (top ten customers)	\$ 2,859,447	56%
Other customers	2,250,843	44%
Total	\$ 5,110,290	100%

Fiscal Year 2015 (Nine Years Ago):

	Operating Revenues	
	Amount	% of Total
Sonoco Recycling	\$ 100,370	9%
Rivanna Water & Sewer Auth.	89,751	8%
Gerdau-Chapparral, Inc.	46,283	4%
Albemarle County	41,202	4%
Virginia DEQ	28,562	3%
Real Property, Inc.	13,981	1%
Arnold Excavation & Hauling	13,636	1%
Bruce Howard Contracting	14,453	1%
Fairfield-Echols, LLC	9,652	1%
Martin Roofing & Sheet Metal	8,591	1%
Subtotal (top ten customers)	\$ 366,481	33%
Other customers	731,447	67%
Total	\$ 1,097,928	100%

RIVANNA SOLID WASTE AUTHORITY

Table 7

Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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

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)
2014	149,906	8,865,338	59,139	4.5%
2015	152,244	9,234,152	60,654	3.9%
2016	154,443	9,832,311	63,663	3.5%
2017	156,512	10,765,726	68,785	3.3%
2018	157,344	11,400,332	72,455	2.8%
2019	158,364	11,982,741	75,666	2.5%
2020	158,967	12,081,184	75,998	5.9%
2021	159,472	14,079,289	88,287	3.4%
2022	159,907	14,583,689	91,201	2.6%
2023	not available	not available	not available	2.6%

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

Employer	First Quarter of 2024		Fourth Quarter of 2014	
	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 Healthcare	1,000 & over	3		
Martha Jefferson Hospital			1,000 & over	4
UVA Health Services Foundation	1,000 & over	4	1,000 & over	7
City of Charlottesville	1,000 & over	5	1,000 & over	5
State Farm Mutual Automobile Insurance			1,000 & over	6
Charlottesville City School Board	500-999	6	500-999	8
U.S. Department of Defense	500-999	7	500-999	9
Food Lion	500-999	8		
Fluvanna County School Board	500-999	9	500-999	10
Wal Mart	500-999	10		

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

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

RIVANNA SOLID WASTE AUTHORITY

Table 10

Number of Positions by Activity
Last Ten Fiscal Years

	Fiscal Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of budgeted full-time equivalent positions:										
Director	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Manager/Assistant Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Heavy Equipment Operator/Attendants	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Operator/Attendants	5.0	4.0	5.0	3.0	4.0	2.0	1.0	1.0	1.0	1.0
Driver/Equipment Operators	8.0	8.0	6.0	6.0	5.0	5.0	4.0	4.0	4.0	4.0
Scale Clerks	2.5	2.5	2.5	2.5	2.5	2.2	1.2	1.2	1.2	1.2
Recycling Operator/Attendant/Technicians	6.0	6.0	4.0	4.0	2.5	1.8	1.8	1.2	-	-
	26.5	24.5	21.5	19.5	18.0	15.0	11.0	10.4	9.2	9.2
Joint Administrative Staff	5.4	4.6	4.3	4.2	4.2	4.0	3.5	3.4	3.5	2.6
Total	31.9	29.1	25.8	23.7	22.2	18.9	14.5	13.8	12.7	11.8

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Waste facilities:										
Number of owned MSW/CDD transfer stations	1	1	1	1	1	1	1	1	1	1
Ivy Material Utilization Center (IMUC)										
Total MSW/CDD tonnage received	64,494	55,528	46,773	41,634	29,364	16,404	8,423	8,341	7,761	7,097
Average daily tonnage received	211	181	152	136	90	61	33	33	31	28
Design capacity in tons per day (Note 1)	450	450	450	300	300	300	150	150	150	150
All other waste tonnage received at IMUC	150,880	187,937	100,399	14,816	16,249	11,169	7,272	9,499	7,780	8,117
Number of vehicles visiting IMUC	84,548	84,748	78,313	65,391	57,078	46,228	39,342	37,207	34,596	33,793
Number of transactions	164,721	165,706	153,250	127,910	110,808	88,080	74,828	71,827	67,258	64,818
Recycling facilities:										
Number of recycling centers	4	3	3	3	2	2	2	2	2	2
Number of newspaper-only drop off sites	2	3	3	2	2	2	2	2	3	3
Tons of recyclable materials received	2,118	2,219	2,510	2,444	2,184	2,224	1,881	1,878	1,615	1,483

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

Source: Internal reports and records



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Rivanna Solid Waste Authority, as of and for the year ended June 30, 2024, 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 31, 2024.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson, Farmer Cox Associates
Charlottesville, Virginia
October 31, 2024