

***CENTRAL VIRGINIA WASTE MANAGEMENT
AUTHORITY***

Comprehensive Annual Financial Report

July 1, 2010 Through June 30, 2011

Prepared By:

***Kimberly A. Hynes CPA
Executive Director***

***Nan B. Downey MBA
Director of Administration and Finance***

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

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Introductory Section

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August 31, 2011

Board of Directors
Central Virginia Waste Management Authority
Richmond, Virginia

Members of the Board:

The Comprehensive Annual Financial Report (“CAFR”) of the Central Virginia Waste Management Authority (“Authority” or “CVWMA”) for the year ended June 30, 2011 is submitted herewith. This report was prepared by the Director of Administration and Finance and the Executive Director. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the undersigned management of the Authority. The financial statements have been audited by the independent accounting firm of Cherry, Bekaert & Holland L.L.P., whose report is included herein. The CAFR has been prepared in accordance with accounting principles generally accepted in the United States of America for governmental accounting and reporting as promulgated by the Governmental Accounting Standards Board.

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

The CAFR is presented in four sections: Introductory, Financial, Statistical and Compliance. The **Introductory** Section contains this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a listing of Authority Board members and administrative staff and the Authority’s organizational chart. The **Financial** Section contains the independent auditors’ report and the financial statements and related notes. The **Statistical** Section includes a number of statistical tables and charts that present financial trends and the fiscal capacity of the Authority. The **Compliance** Section contains the *Independent Auditors’ Report On Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

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

ORGANIZATION AND FUNCTION

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



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

ECONOMIC CONDITION AND OUTLOOK

Recent reports indicate modest growth in the US economy. For the second month, five of the 11 indicators were positive in July 2011 including increased jobs and increase in Gross Domestic Product (GDP). Nationally, unemployment rates rose in July from June in more than half the states across the country, evidence that job growth remains weak. Although Virginia's unemployment rate increased to 6.1% in July (down from 6.9% last year), it remains considerably below the national average of 9.1%. State sales tax revenues have increased indicating growth in consumer spending, however high unemployment and continued weakness in the housing market continue to result in lagging growth locally.

Local governments continue to struggle as a result of declines in real estate values and state spending cuts over the last several years. Municipalities have been forced to cutback services to their residents. Environmental stewardship and commitment to recycling efforts continues to remain strong, however the economic reality has forced jurisdictions to take a hard look at the programs they provide, how many residents are using their programs and at what cost.

The recycling industry has weathered the storm and has been one of the fastest growing industries in the last 20 years. Throughout the recession, waste disposal has declined as much as 12-15% annually, where recycling has declined 1-2% annually. Although, many paper mills have closed across the country, the greater Richmond region is rich in paper recycling mills. The paper and metal markets are soaring and with oil prices increasing in the last year, the markets for recycled plastic are also lucrative. Environmental concerns, high commodity prices and increased regulation for waste are making recycling an increasingly attractive and viable industry. Many Authority contracts include a provision to share in the revenue generated from the sale of recyclable material, which have helped alleviate some of the costs to localities for recycling programs.

MAJOR INITIATIVES

In December 2010, the CVWMA celebrated 20 years of regional collaboration of recycling and solid waste management. In the 20 years since our inception, the Authority has proven to be a leader in the Commonwealth in recycling and solid waste initiatives, public-private partnerships, education/outreach and fiscal responsibility.

The Authority strives to meet the recycling and solid waste management needs of the region in an innovative and cost effective manner. The CVWMA provides a menu of regional cost effective recycling and waste programs, through the private sector, for members to choose from to best meet the needs of individual localities. The CVWMA has successfully negotiated more attractive contracts in the last couple of years that has resulted in not only savings to member jurisdictions, but increased revenue. Through CVWMA programs and contracts since inception,

our jurisdictions have received more than \$2.3 million dollars from the sale of recyclable material in addition to the inherent savings of the regional approach to solid waste management.

FINANCIAL CONTROLS

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

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

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

Budgetary Controls: The Authority maintains budgetary controls to ensure compliance with the annual appropriated budget approved by the Authority's Board of Directors. Budgets are prepared by program.

CASH MANAGEMENT

The Authority's approach to managing cash is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Excess cash in the Authority's pooled operating account remains in the interest bearing checking account. Idle funds available for longer periods of time are invested in Certificates of Deposit, Money Market, Bankers' Acceptances, Commercial Paper, term repurchase agreements and the Local Government Investment Pool (LGIP). The average yield on Authority investments in fiscal year 2011 was about .94%. The total amount of interest earned on Authority investments was \$28,415 in 2011 compared to \$20,225 in 2010.

RISK MANAGEMENT

The risk management program currently involves maintaining comprehensive insurance policies and identifying and monitoring loss exposure. The Authority's insurance coverage includes comprehensive property and casualty, healthcare, comprehensive vehicle liability and public official's liability policies.

INDEPENDENT AUDIT

State statute requires an annual audit by independent certified public accountants. The public accounting firm of Cherry, Bekaert & Holland L.L.P. was selected by the Authority's Audit

Committee to perform the audit for the fiscal year ended June 30, 2011. The independent auditors' report on the financial statements is included in the financial section of this report.

AWARDS AND ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Central Virginia Waste Management Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the fourteenth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

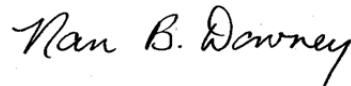
ACKNOWLEDGMENTS

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

Respectfully submitted,



Kimberly A. Hynes CPA
Executive Director



Nan B. Downey MBA
Director of Administration and Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Virginia Waste Management Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emmer

Executive Director

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

2010-2011 Board of Directors

Mark Kukoski, City of Richmond
Chair

Gentry Bell, County of Henrico
Vice Chair

Steve Chidsey, County of Hanover
Secretary

Matthew D. Benka, City of Richmond
Treasurer

Leigh Dunn, County of Goochland
Director

Vacant, Town of Ashland
John F. Miniclier, County of Charles City
Marcia R. Phillips, County of Chesterfield
Robert L. Dunn, County of Chesterfield
Robert C. Key, County of Chesterfield
Tom Mattis, City of Colonial Heights
Robert Setliff, County of Hanover

Marcia E. Kelley, County of Henrico
Robert C. Whiteman, County of Henrico
Phillip E. Elliott, City of Hopewell
James H. Burrell, County of New Kent
Michael D. Briddell, City of Petersburg
Elliot Danburg, County of Powhatan
Bill Hamby, Jr., County of Prince George

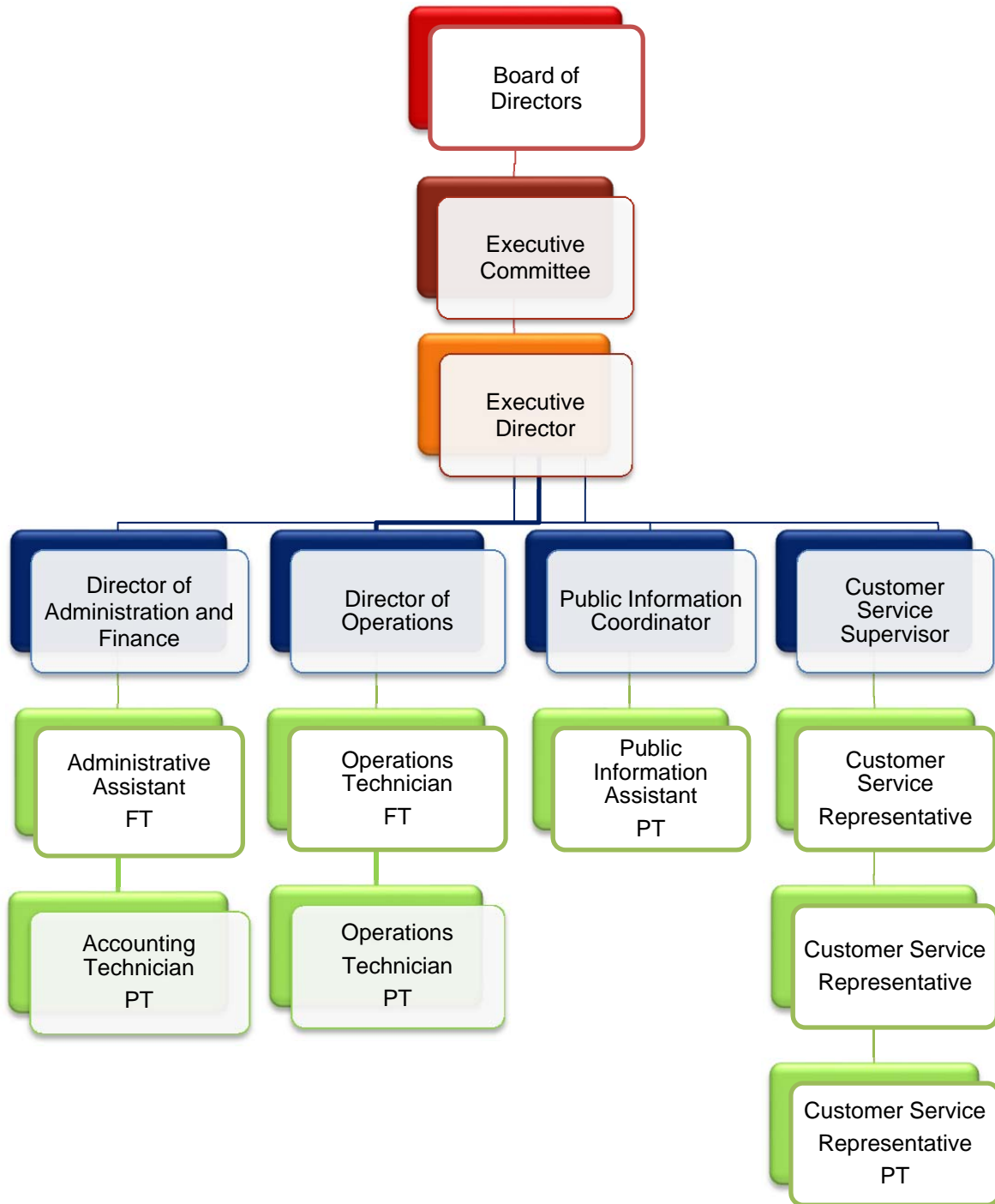
Administrative Staff

Kimberly A. Hynes CPA, Executive Director
Nan B. Downey MBA, Director of Administration and Finance
Bernard B. Harris, Director of Operations
Nancy W. Drumheller, Public Information Coordinator
Reginald D. Thompson, Operations Technician
Valerie Pegues-Johnson CPS, Administrative Assistant
Stephanie N. Breaker, Customer Service Supervisor
Carolyn M. Bagby, Customer Service Representative
Mecca M. Anderson, Customer Service Representative
Angela Burley, Customer Service Representative, part-time
Charles R. Howe, Operations Technician, part-time
Stephanie Feaser, Public Information Assistant, part-time
Barbara M. Trimmer, Accounting Technician, part-time

CVWMA General Counsel
Patricia Collins McCullagh
McCandlish Holton PC



ORGANIZATIONAL CHART



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Financial Section

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Independent Auditors' Report

The Board of Directors
Central Virginia Waste Management Authority
Richmond, Virginia

We have audited the financial statements of each major fund, and the aggregate remaining fund information of the Central Virginia Waste Management Authority (the "Authority"), as of, and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the Authority's 2010 financial statements and, in our report dated September 9, 2010, we expressed an unqualified opinion on the financial statements.

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 Audit of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund and the aggregate remaining fund information of the Authority, as of June 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2011, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Schedule of Funding Progress at Note V. D. are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, combining financial statements and statistical tables are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cherry, Bekaert + Holland, LLP

Richmond, Virginia
August 31, 2011

Management's Discussion And Analysis

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MANAGEMENT’S DISCUSSION AND ANALYSIS

The following discussion provides an overview of the financial activities of the Central Virginia Waste Management Authority (“Authority” or “CVWMA”) for the fiscal year ended June 30, 2011. This information should be read in conjunction with the letter of transmittal and the financial statements.

Financial Highlights

The assets of the Authority exceeded its liabilities by \$640,714 at the close of the 2011 fiscal year. Total net assets decreased by \$22,681. Operating revenues increased by 1.6% to \$14,044,355 and operating expenses increased 1.4% to \$14,116,751.

Overview of the Financial Statements

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

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

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

The tables presented herein provide a summary of the CVWMA’s financial position and operations for FY 2011 and 2010.

Condensed Statements of Net Assets June 30,

	<u>2011</u>	<u>2010</u>	<u>Change</u>	
			<u>Amount</u>	<u>%</u>
Assets:				
Current	\$ 4,894,949	\$ 4,835,166	\$ 59,783	01.2%
Capital assets, net	31,268	52,702	(21,434)	-40.7%
Total assets	4,926,217	4,887,868	38,349	00.8%
Liabilities	4,285,503	4,224,473	61,030	01.4%
Net assets:				
Invested in capital assets	31,268	52,702	(21,434)	-40.7%
Unrestricted	609,446	610,693	(1,247)	-00.2%
Total net assets	\$ 640,714	\$ 663,395	\$ (22,681)	-03.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Although a loss of \$22,681 was realized this year, the CVWMA made significant strides to reduce administrative expenses and place less reliance on investment income. All thirteen member jurisdictions continue to see the value in the regional approach to recycling and solid waste and the programs they participate in. Local governments have not had excess funds to enhance programs or add new ones, but each of our localities has maintained their level of commitment to the Authority and the recycling and solid waste programs they provide to their citizens. The Authority continues to remain in a strong financial position.

Capital assets, consisting of furniture, office and electronic equipment, vehicles and leasehold improvements, have declined 40.7% from the previous year. The Authority's computer network is hosted offsite and the CVWMA continues to phase out desk top computers, thus the reduction in need for capital assets. The reduction in purchasing of capital assets coupled with continued depreciation of existing assets resulted in the decline in Capital Assets. More information on capital assets is included in the Notes to the Financial Statements on page 17, III, Capital Assets.

Condensed Statements of Revenues, Expenses and Changes in Net Assets For the years ended June 30,

	<u>2011</u>	<u>2010</u>	<u>Change</u> <u>Amount</u>	<u>%</u>
Operating revenues:				
Local government assessments	\$ 508,688	\$ 503,312	\$ 5,376	1.1%
Recycling	6,405,782	6,270,895	134,887	2.2%
Refuse and solid waste	6,009,299	6,053,238	(43,939)	-0.7%
Composting and yard waste	429,922	445,477	(15,555)	-3.5%
Other project revenue and fees	210,715	209,243	1,472	0.7%
Material sales rebate	479,949	335,835	144,114	42.6%
Total operating revenues	14,044,355	13,818,000	226,355	1.6%
Operating expenses:				
Administrative/operating	214,794	270,952	(56,158)	-20.7%
Salaries and benefits	679,960	690,548	(10,588)	-1.5%
Professional service fees	70,356	75,274	(4,918)	-6.5%
Depreciation	23,453	27,485	(4,032)	-14.7%
Program contractual services	12,658,523	12,533,001	125,522	1.0%
Material sales rebate	469,665	327,085	142,580	43.6%
Total operating expenses	14,116,751	13,924,345	192,406	1.4%
Operating loss	(72,396)	(106,345)	33,949	-31.9%
Non-operating revenues:				
Grants and sponsorships	10,000	13,800	(3,800)	-27.5%
Interest income	28,415	20,225	8,190	40.5%
Miscellaneous income	11,300	-	11,300	100.0%
Non-operating revenues	49,715	34,025	15,690	-46.1%
Net loss	(22,681)	(72,320)	49,639	-68.6%
Rebate of accumulated funds	-	(150,000)	150,000	-100.0%
Beginning net assets	663,395	885,715	(222,320)	-25.1%
Ending net assets	\$ 640,714	\$ 663,395	\$ (22,681)	-3.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Participation by member jurisdictions in Authority programs has remained consistent. About 2,500 households were added to the curbside recycling program this year bringing that total to almost 252,000 eligible homes. The solid waste industry has seen sharp declines in waste disposal in the last couple of years as a result of the economy. Accordingly, waste disposed of through the Authority's municipal solid waste collection and the transfer and disposal programs has also declined.

Metal, oil and newsprint markets have rebounded resulting in the continuation of strong revenue earned in the appliance and scrap metal, used oil recycling and drop off programs. A few years ago, the CVWMA negotiated more lucrative contracts for the metal and oil recycling programs and provides all the revenue earned back to the participating jurisdictions.

The recession has resulted in the loss of earning power and reductions in spending, thus less waste generation as evidenced by the reduction in tons of refuse and solid waste disposed of through the Authority's solid waste programs again this year. Yard waste and other projects are used by member localities on an as needed basis.

Economic Factors and the FY 2011 Budget

Consumer spending has been gradually increasing and unemployment has decreased in Virginia since last year. The less consumer spending, the less there is to 'throw away' or recycle. This region has seen waste disposal decline as much as 12%-15% annually. While the volume of recycling has also declined, tonnages have only declined 1%-2%, compared to the sharp declines in trash volumes. Participation in recycling programs has remained consistent and even grown since the recession began.

Recycling markets have rebounded significantly and metal recycling, used oil recycling and paper markets are at record highs. Environmental concerns, high commodity prices and increased regulation for waste are making recycling an increasingly attractive and viable industry. Many Authority contracts include a provision to share in the revenue generated from the sale of recyclable material, which have helped alleviate some of the costs to localities for recycling programs.

Local government budgets for the next fiscal year remain uncertain and it is projected that the upcoming budgets will be prepared for no growth in spending or even reduced spending. The CVWMA has reduced its administrative budget by 12% since Fiscal Year 2009 and projects further reductions for the 2012 fiscal year.

Contacting CVWMA's Financial Management

This financial analysis is designed to provide a general overview of CVWMA's finances to all interested parties. If you have questions about this report, or need additional financial information, contact the CVWMA's Executive Director at Central Virginia Waste Management Authority, 2100 W. Laburnum Avenue; Suite 105, Richmond, Virginia 23227 or by telephone at 804-359-8413.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

**STATEMENT OF NET ASSETS
JUNE 30, 2011
With Comparative Totals at June 30, 2010**

	<i>General Operating Fund</i>	<i>Curbside Recycling</i>	<i>Drop-Off Recycling</i>	<i>Municipal Solid Waste</i>	<i>Waste Transfer & Disposal</i>	<i>Other Non Major Funds</i>	<i>Total 2011</i>	<i>2010</i>
Assets:								
Cash and cash equivalents	\$ 336,027	\$ 1,034,609	\$ 37,262	\$ 645,817	\$ 102,449	\$ 136,441	\$ 2,292,605	\$ 2,434,928
Accounts receivable	463,884	746,642	101,791	942,285	245,024	83,580	2,583,206	2,381,303
Interfund balances	7,812	-	-	-	-	(7,812)	-	-
Prepaid expenses	<u>14,362</u>	<u>3,951</u>	<u>153</u>	<u>672</u>	<u>-</u>	<u>-</u>	<u>19,138</u>	<u>18,935</u>
Total current assets	<u>822,085</u>	<u>1,785,202</u>	<u>139,206</u>	<u>1,588,774</u>	<u>347,473</u>	<u>212,209</u>	<u>4,894,949</u>	<u>4,835,166</u>
Capital Assets:								
Furniture, fixtures & equipment	41,128	15,289	-	7,263	-	-	63,680	63,680
Computer equipment	130,847	93,071	-	12,008	-	-	235,926	233,906
Vehicles	39,466	-	-	-	-	-	39,466	39,466
Leasehold improvements	<u>29,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,061</u>	<u>29,061</u>
	240,502	108,360	-	19,271	-	-	368,133	366,113
Accumulated depreciation	<u>(220,362)</u>	<u>(100,500)</u>	<u>-</u>	<u>(16,003)</u>	<u>-</u>	<u>-</u>	<u>(336,865)</u>	<u>(313,411)</u>
Capital assets, net	<u>20,140</u>	<u>7,860</u>	<u>-</u>	<u>3,268</u>	<u>-</u>	<u>-</u>	<u>31,268</u>	<u>52,702</u>
Total assets	<u>842,225</u>	<u>1,793,062</u>	<u>139,206</u>	<u>1,592,042</u>	<u>347,473</u>	<u>212,209</u>	<u>4,926,217</u>	<u>4,887,868</u>
Liabilities:								
Accounts payable	(1,942)	923,201	96,210	633,810	191,059	106,954	1,949,292	1,951,461
Unearned revenue	515,894	538,044	-	958,213	171,982	-	2,184,133	2,124,883
Other accrued liabilities	<u>44,156</u>	<u>21,207</u>	<u>149</u>	<u>566</u>	<u>-</u>	<u>86,000</u>	<u>152,078</u>	<u>148,129</u>
Total liabilities	<u>558,108</u>	<u>1,482,452</u>	<u>96,359</u>	<u>1,592,589</u>	<u>363,041</u>	<u>192,954</u>	<u>4,285,503</u>	<u>4,224,473</u>
Net Assets (deficit)								
Invested in capital assets	20,140	7,860	-	3,268	-	-	31,268	52,702
Unrestricted	<u>263,977</u>	<u>302,750</u>	<u>42,847</u>	<u>(3,815)</u>	<u>(15,568)</u>	<u>19,255</u>	<u>609,446</u>	<u>610,693</u>
Total net assets (deficit)	<u>\$ 284,117</u>	<u>\$ 310,610</u>	<u>\$ 42,847</u>	<u>\$ (547)</u>	<u>\$ (15,568)</u>	<u>\$ 19,255</u>	<u>\$ 640,714</u>	<u>\$ 663,395</u>

The notes are an integral part of the financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011
With Comparative Totals for the Year Ended June 30, 2010**

	<i>General Operating Fund</i>	<i>Curbside Recycling</i>	<i>Drop- Off Recycling</i>	<i>Municipal Solid Waste</i>	<i>Waste Transfer & Disposal</i>	<i>Other Non Major Funds</i>	<i>Total 2011</i>	<i>2010</i>
Operating revenues:								
Local government assessments	\$ 508,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 508,688	\$ 503,312
Recycling	-	5,798,799	606,983	-	-	-	6,405,782	6,270,895
Refuse and solid waste	-	-	-	3,862,949	2,146,350	-	6,009,299	6,053,238
Composting and yard waste	-	-	-	-	-	429,922	429,922	445,477
Other project revenues	-	-	-	-	-	210,715	210,715	209,243
Material sales rebates	-	-	37,366	-	-	442,583	479,949	335,835
Total operating revenues	<u>508,688</u>	<u>5,798,799</u>	<u>644,349</u>	<u>3,862,949</u>	<u>2,146,350</u>	<u>1,083,220</u>	<u>14,044,355</u>	<u>13,818,000</u>
Operating expenses:								
Administrative/operating	66,481	124,535	10,306	11,564	1,242	666	214,794	270,952
Salaries and benefits	419,288	213,796	7,055	35,623	3,210	988	679,960	690,548
Professional service fees	31,552	22,601	1,349	7,405	5,231	2,218	70,356	75,274
Depreciation	16,564	4,884	-	2,005	-	-	23,453	27,485
Project contractual services	-	5,434,303	606,982	3,830,265	2,146,336	640,637	12,658,523	12,533,001
Material sales rebate	-	-	28,024	-	-	441,641	469,665	327,085
Total operating expenses	<u>533,885</u>	<u>5,800,119</u>	<u>653,716</u>	<u>3,886,862</u>	<u>2,156,019</u>	<u>1,086,150</u>	<u>14,116,751</u>	<u>13,924,345</u>
Operating income (loss)	<u>(25,197)</u>	<u>(1,320)</u>	<u>(9,367)</u>	<u>(23,913)</u>	<u>(9,669)</u>	<u>(2,930)</u>	<u>(72,396)</u>	<u>(106,345)</u>
Non-operating revenues:								
Grants and sponsorships	-	10,000	-	-	-	-	10,000	13,800
Interest income	3,762	12,022	537	8,798	2,137	1,159	28,415	20,225
Miscellaneous Income	11,300	-	-	-	-	-	11,300	-
Total non-operating revenues	<u>15,062</u>	<u>22,022</u>	<u>537</u>	<u>8,798</u>	<u>2,137</u>	<u>1,159</u>	<u>49,715</u>	<u>34,025</u>
Net income (loss) before rebate	(10,135)	20,702	(8,830)	(15,115)	(7,532)	(1,771)	(22,681)	(72,320)
Rebate of accumulated funds	-	-	-	-	-	-	-	(150,000)
Change in Net Assets	(10,135)	20,702	(8,830)	(15,115)	(7,532)	(1,771)	(22,681)	(222,320)
Net assets - beginning of year	<u>294,252</u>	<u>289,908</u>	<u>51,677</u>	<u>14,568</u>	<u>(8,036)</u>	<u>21,026</u>	<u>663,395</u>	<u>885,715</u>
Net assets - end of year	<u>\$ 284,117</u>	<u>\$ 310,610</u>	<u>\$ 42,847</u>	<u>\$ (547)</u>	<u>\$ (15,568)</u>	<u>\$ 19,255</u>	<u>\$ 640,714</u>	<u>\$ 663,395</u>

The notes are an integral part of the financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2011 With Comparative Totals for the Year Ended June 30, 2010

	<i>General Operating Fund</i>	<i>Curbside Recycling</i>	<i>Drop- Off Recycling</i>	<i>Municipal Solid Waste</i>	<i>Waste Transfer & Disposal</i>	<i>Other Non Major Funds</i>	<i>Total 2011</i>	<i>2010</i>
Cash Flows From Operating Activities								
Receipts from localities	\$ 534,554	\$ 5,610,966	\$ 591,685	\$ 3,865,093	\$ 2,098,325	\$ 726,882	\$13,427,505	\$13,578,858
Receipts from the sale of recyclables, net	-	-	9,342	-	-	942	10,284	8,750
Payments to contractors	-	(5,408,869)	(606,935)	(3,824,065)	(2,166,425)	(658,004)	(12,664,298)	(12,364,595)
Payments to suppliers	(100,542)	(146,886)	(11,660)	(19,054)	(6,473)	(2,884)	(287,499)	(356,902)
Payments to employees	(418,819)	(210,438)	(7,034)	(35,522)	(3,210)	(988)	(676,011)	(682,264)
Net cash provided by (used in) operating activities	<u>15,193</u>	<u>(155,227)</u>	<u>(24,602)</u>	<u>(13,548)</u>	<u>(77,783)</u>	<u>65,948</u>	<u>(190,019)</u>	<u>183,847</u>
Cash Flows From Noncapital Financing Activities:								
Grants and sponsorships	11,300	10,000	-	-	-	-	21,300	13,800
Interfund transfers, net	60,777	-	-	-	-	(60,777)	-	-
Net cash provided by (used in) noncapital financing activities	<u>72,077</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,777)</u>	<u>21,300</u>	<u>13,800</u>
Cash Flows From Capital and Related Financing Activities:								
Acquisitions of capital assets	(1,020)	(1,000)	-	-	-	-	(2,020)	(6,171)
Net cash provided by (used in) Capital and related financing activities	<u>(1,020)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,020)</u>	<u>(6,171)</u>
Cash Flows From Investing Activities:								
Interest received	3,762	12,022	537	8,799	2,137	1,159	28,416	20,225
Net increase (decrease) in cash and cash equivalents	90,012	(134,205)	(24,065)	(4,749)	(75,646)	6,330	(142,323)	211,701
Cash and cash equivalents at June 30, 2010	<u>246,015</u>	<u>1,168,814</u>	<u>61,327</u>	<u>650,566</u>	<u>178,095</u>	<u>130,111</u>	<u>2,434,928</u>	<u>2,223,227</u>
Cash and cash equivalents at June 30, 2011	<u>\$ 336,027</u>	<u>\$ 1,034,609</u>	<u>\$ 37,262</u>	<u>\$ 645,817</u>	<u>\$ 102,449</u>	<u>\$ 136,441</u>	<u>\$ 2,292,605</u>	<u>\$ 2,434,928</u>

The notes are an integral part of the financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

With Comparative Totals for the Year Ended June 30, 2010

	<i>General</i>		<i>Drop-</i>	<i>Municipal</i>	<i>Waste</i>	<i>Non</i>		
	<i>Operating</i>	<i>Curbside</i>	<i>Off</i>	<i>Solid</i>	<i>Transfer &</i>	<i>Major</i>	<i>Total</i>	
	<u><i>Fund</i></u>	<u><i>Recycling</i></u>	<u><i>Recycling</i></u>	<u><i>Waste</i></u>	<u><i>Disposal</i></u>	<u><i>Funds</i></u>	<u><i>2011</i></u>	<u><i>2010</i></u>
Net operating loss	\$ (25,197)	\$ (1,320)	\$ (9,367)	\$ (23,913)	\$ (9,669)	\$ (2,930)	\$ (72,396)	\$ (106,345)
Adjustments to reconcile operating income (loss) to net cash provided by (used in):								
Depreciation	16,564	4,884	-	2,005	-	-	23,453	27,485
Accounts receivable - local governments	18,660	(231,606)	(15,298)	(11,879)	(48,025)	86,245	(201,903)	(449,035)
Prepaid expenses	(363)	250	(5)	(85)	-	-	(203)	(2,234)
Increase/(decrease) in operating liabilities:								
Accounts payable	(2,146)	25,434	47	6,200	(14,337)	(17,367)	(2,169)	179,668
Unearned revenue	7,206	43,773	-	14,023	(5,752)	-	59,250	526,022
Other accrued liabilities	469	3,358	21	101	-	-	3,949	8,286
Net cash provided by (used in)								
operating activities	<u>\$ 15,193</u>	<u>\$ (155,227)</u>	<u>\$ (24,602)</u>	<u>\$ (13,548)</u>	<u>\$ (77,783)</u>	<u>\$65,948</u>	<u>\$ (190,019)</u>	<u>\$ 183,847</u>

The notes are an integral part of the financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity - The Authority is a primary government with no component units. The members of the Authority are the Cities of Colonial Heights, Hopewell, Petersburg and Richmond; the Town of Ashland; and the Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George. The Authority is governed by a Board of Directors consisting of one or more representatives appointed by each of the member cities, town and counties. The Authority is a jointly governed organization of the thirteen member jurisdictions listed herein, however it is not a component unit of any of the participating governments. The participating governments do have a financial interest and responsibility to the Authority.

B. Basis of Presentation – The Authority administers ten enterprise funds: the General Fund, the Curbside Recycling, the Drop-Off Recycling, the Municipal Solid Waste, and the Waste Transfer and Disposal are considered major funds. The CFC/HCFC, the Special Waste Collections, the Waste Tire Recycling, the Appliance and Scrap Metal Recycling, and the Yard Waste Projects are combined as other non-major funds. The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to enterprise funds of governmental units.

C. Basis of Accounting - The accounting records for the Authority are maintained on the accrual basis with revenue recorded when earned and expenses recorded when incurred. The accounting and reporting policies conform to accounting principles generally accepted in the United States of America. The Authority applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless the latter conflicts with or contradicts GASB pronouncements.

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

E. Cash and Cash Equivalents - Cash and cash equivalents are defined as being cash and short-term interest bearing investments consisting of certificates of deposit, repurchase agreements and other income producing securities. These investments are readily convertible to cash and are stated at cost, which approximates market.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

F. Receivables - All revenue and receivables are recognized when earned. Receivables consist of amounts due from the participating governments for services performed for residents. Each government is liable for the actual cost of service based on contractual arrangements; therefore, there is no allowance for doubtful accounts.

G. Capital Assets - Capital assets are stated at historical cost. The capitalization threshold for capital assets is \$500. Expenses for repairs and upgrading which materially add to the value or life of an asset are capitalized. Other maintenance and repair costs are charged to expense as incurred. Depreciation is charged as an expense using the straight-line method over the assets' estimated useful lives as follows:

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

H. Compensated Absences - Authority employees, in the event of termination, are reimbursed for accumulated annual leave in full, and for sick leave in the amount of one third (1/3) of sick leave accumulated up to \$3,500. Vested annual and sick leave balances are reflected in the accompanying financial statements as a current liability.

I. Unearned Revenues - In connection with certain contracts, the Authority bills for services and receives cash in advance. These amounts are recorded as unearned revenues in the accompanying balance sheets until earned by the Authority.

J. Net Assets - Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by any outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Restricted net assets consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net assets not included in the above categories. The Authority did not have any restricted net assets at June 30, 2011 or 2010, nor is there any debt associated with capital assets.

K. Risk Management - The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance for all risks of loss including general liability, employee health and accident, workers' compensation, automobile and public officials' liability insurance. Any settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

L. Revenue Classification - Revenues from recycling and solid waste collection, local government assessments and other program revenues are reported as operating revenues. All other revenues including certain grants, contributions and interest income are reported as non-operating revenues.

M. Summarized Comparative Information for 2010 - The financial information for the year ended June 30, 2010, presented for comparative purposes, is not intended to be a complete financial statement presentation because only the total of all funds has been reflected.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

II. DEPOSITS AND INVESTMENTS

Deposits. At June 30, 2011, the carrying value of the Authority's deposits with banks and savings institutions was \$1,010,276 and the bank balance was \$1,017,364. All of the bank balance was covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. If any member financial institution, whose public deposits are collateralized in accordance with the requirements of the Act fails, the entire market value of the collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans.

Investment Policy. In accordance with the Code of Virginia and other applicable law, including regulations, the Authority's investment policy (Policy) permits investments in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes; banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

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

	<u>2011</u>	<u>2010</u>
	<u>Fair Value</u>	<u>Fair Value</u>
<u>Cash and Cash Equivalents</u>		
Local Government Investment Pool	\$ 2,777	\$ 227,477
Certificates of Deposit	518,648	1,010,545
Money Market Investments	760,804	-
Cash in Bank	1,010,276	1,196,806
Cash on Hand	<u>100</u>	<u>100</u>
Totals Deposits and Investments	<u>\$ 2,292,605</u>	<u>\$2,434,928</u>

Interest Rate Risk. Investment maturity is managed to proceed or coincide with expected need of funds to help limit exposure to fair value losses arising from rising interest rates. As of June 30, 2011, the Authority's investments were in the Local Government Investment Pool (LGIP) and Certificates of Deposit. The LGIP is a short-term investment pool offered through the State Treasurer to public entities of the Commonwealth (a "2a7-like pool") providing daily liquidity.

Credit Risk. Policy, consistent with state statute, requires commercial paper, including banker's acceptances, and corporate notes have a short-term debt rating of no less than "P-1" from Moody's Investors Service, and "A-1" from Standard & Poor's. The Authority's investments in the LGIP are rated AAAM by Standard's & Poor's. Certificates of Deposit and the Money Market account are fully collateralized by the banks and insured by the Federal Deposit Insurance Corporation (FDIC). The Certificates of Deposit have a stated maturity of no more than two years from the date of purchase. Certificates of Deposit converted back to cash prior to maturity could result in penalties of up to six months interest.

Concentration of Credit Risk. The Code of Virginia and the Authority's investment policy places no limit on the amount the Authority may invest in any one issuer. However, the policy establishes

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

limitation on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk. At June 30, 2011, the Authority's investment portfolio consisted of the following:

<u>Issuer</u>	<u>Amount</u>	<u>% of Portfolio</u>
Local Government Investment Pool (LGIP)	\$ 2,777	.22%
Capital One, N.A.	259,324	20.22%
Capital One Bank (USA), N.A.	259,324	20.22%
Union First Market Bank	<u>760,804</u>	59.34%
	<u>\$1,282,229</u>	

III. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance June 30, <u>2009</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>2010</u>	<u>Additions</u>	<u>Disposals</u>	Balance June 30, <u>2011</u>
Furniture, fixtures & equipment	\$ 63,680	\$ -	\$ -	\$ 63,680	\$ -	\$ -	\$ 63,680
Computer equipment	227,735	6,171	-	233,906	2,020	-	235,926
Vehicles	39,466	-	-	39,466	-	-	39,466
Leasehold improvements	<u>29,061</u>	-	-	<u>29,061</u>	-	-	<u>29,061</u>
Total capital assets	359,942	6,171	-	366,113	2,020	-	368,133
Accumulated depreciation:							
Furniture, fixtures & equipment	35,744	7,013	-	42,757	6,638	-	49,395
Computer equipment	200,515	13,451	-	213,966	10,688	-	224,654
Vehicles	26,347	5,209	-	31,556	4,315	-	35,871
Leasehold improvements	<u>23,320</u>	<u>1,812</u>	-	<u>25,132</u>	<u>1,813</u>	-	<u>26,945</u>
Total accumulated depreciation	<u>285,926</u>	<u>27,485</u>	-	<u>313,411</u>	<u>23,454</u>	-	<u>336,865</u>
Capital assets, net	<u>\$ 74,016</u>	<u>\$ (21,314)</u>	<u>\$ -</u>	<u>\$ 52,702</u>	<u>\$ (21,434)</u>	<u>\$ -</u>	<u>\$ 31,268</u>

IV. LEASES

The Authority has noncancelable operating leases for the rental of a vehicle, office space and equipment. Rental expense for operating leases during 2011 and 2010 was \$72,063 and \$69,220, respectively, and is included in Administrative/operating expenses in the Statements of Revenues, Expenses and Changes in Net Assets. The lease for office space contains an escalation clause which results in an annual increase of 3% in the rate per square foot.

Future minimum lease payments under noncancelable operating leases at June 30, 2011 are:

2012	\$ 44,835
2013	6,452
2014	<u>1,836</u>
	<u>\$ 53,123</u>

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

V. RETIREMENT PLAN

A. Plan Description

The Authority contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia.

All full-time, salaried, permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with five years of service or at age 50 with 30 years of service. The benefit is payable monthly for life in an amount equal to 1.7 percent of average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for an annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5% per year. AFC is defined as the highest consecutive 36 months of reported compensation. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. A copy of that report may be obtained by writing the VRS at P.O. Box 2500, Richmond, VA 23218-2500 or may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2010-Annual-Report.pdf>.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution may be assumed by the employer. The Authority has elected to assume the 5% member contribution. In addition, the Authority is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The Authority's contribution rate for the fiscal year ended June 30, 2011 was 7.54% of annual covered payroll.

C. Annual Pension Cost

For 2011, the Authority's annual pension cost of \$58,249 was equal to the Authority's required and actual contributions. The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases at 3.75% to 5.60% per year, and (c) 2.5% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.5%. The actuarial value of the Authority's assets is equal to the modified market value of assets. This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was twenty years.

D. Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the plan was 84.5% funded. The actuarial accrued liability for benefits was \$1,071,517, and the actuarial value of assets was \$905,836, resulting in an unfunded actuarial accrued liability (UAAL) of \$165,681. The covered payroll (annual payroll of active employees covered by the plan) was \$480,213, and ratio of the UAAL to the covered payroll was 34.5%.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost <u>(APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
June 30, 2011	\$ 58,249	100%	-0-
June 30, 2010	\$ 49,939	100%	-0-
June 30, 2009	\$ 48,590	100%	-0-

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Unaudited

Valuation <u>Date</u> (1)	Actuarial Value of Assets <u>(AVA)</u> (2)	Actuarial Accrued Liability <u>(AAL)</u> (3)	Unfunded Actuarial Accrued Assets/Liability <u>(UAAL)(3)-(2)</u> (4)	Funded Ratio <u>(2)/(3)</u> (5)	Annual Covered Payroll <u>(6)</u> (6)	UAAL as a % of Payroll <u>(4)/(6)</u> (7)
June 30, 2010	\$ 905,836	\$ 1,071,517	\$165,681	84.5%	\$ 480,213	34.5%
June 30, 2009	862,418	880,881	18,463	97.9%	467,144	4.0%
June 30, 2008	814,193	781,519	(32,674)	104.2%	418,392	(7.8)%

Information included in the Schedule of Funding Progress is the most recent and only information available.

VI. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Healthcare Benefits

A. Plan description

The Authority administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides postemployment healthcare benefits to retirees of the Authority, under the health plan administered by the Local Choice Health Benefits Program of the Virginia Department of Human Resource Management. Retirees must pay the full cost of health coverage for these benefits. A separate report was not issued for the plan.

B. Funding Policy

By Authority resolution, the Authority allows qualified employees to participate in healthcare benefits at the retiree's expense. Local choice charges a blended rate which is 102% of the rate for participants that elect only to cover active employees. The only cost to the Authority is this implicit rate subsidy which does not result in a future outlay of Authority funds.

C. Annual OPEB Cost and Net OPEB Obligation

The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC). The Authority has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

The following table shows the components of the Authority's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 2,615
Adjustments to ARC	<u>-</u>
Annual OPBE cost	\$ 2,615
Contributions made	<u>-</u>
Increase in OPEB obligation	\$ 2,615
Net OPEB obligation, beginning of year	<u>2,615</u>
Net OPEB obligation, end of year	\$ <u><u>5,230</u></u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

Percentage of Annual OPEB

Year Ended June 30	Annual OPEB Cost	Cost Contributed	Net OPEB Obligation
2011	\$2,615	0%	\$5,230
2010	2,615	0%	\$2,615

The estimated amount is not considered material to the financial statements; therefore a liability for the net OPEB obligation has not been recorded in the financial statements.

D. Funded Status and Funding Progress

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of plan assets and the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. A simplified version of unit credit cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011, was thirty years.

Healthcare cost trend rate – 2010 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid. The expected rate of increase in healthcare insurance premiums was estimated at a rate of 8.0 percent trending down over the next 5 years to 5.0 percent in future years.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Payroll growth rate – The expected long-term payroll growth rate is 2% based on historical trends.

Discount rate - Based on the historical and expected returns of the Authority's short-term investment portfolio, a discount rate of 4.00 percent was used.

Required Supplementary Information Schedule of Funding Progress

Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
-0-	\$ 11,433	\$ 11,433	0%	\$ 467,144	2.45%

Schedule of Employer Contributions

Year Ending June 30	Annual Required Contribution	Percentage Contributed
2011	\$ 2,615	0%
2010	\$ 2,615	0%

VII. RELATED PARTIES

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

Total amounts due from and payable to the related jurisdictions at June 30, 2011 and 2010 are as follows:

	<u>2011</u>		<u>2010</u>	
	<u>Due From</u>	<u>Due To</u>	<u>Due From</u>	<u>Due To</u>
Town of Ashland	\$ 51,421	\$ -	\$ 42,555	\$ -
County of Charles City	3,338	-	3,325	50
County of Chesterfield	670,804	5,102	463,812	-
City of Colonial Heights	229,218	676	229,840	-
County of Goochland	100,879	4,554	56,221	240
County of Hanover	28,470	7,030	68,505	10,777
County of Henrico	385,906	6,459	406,926	1,005
City of Hopewell	374,487	-	353,215	-
County of New Kent	15,276	4,074	12,466	331
City of Petersburg	378,381	-	358,137	-
County of Powhatan	72,573	1,816	68,095	256
County of Prince George	28,394	-	15,295	-
City of Richmond	240,464	-	298,648	-
Total	<u>\$ 2,579,612</u>	<u>\$ 29,741</u>	<u>\$ 2,377,040</u>	<u>\$ 12,659</u>

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Total revenues from and expenses to related jurisdictions in the years ended June 30, 2011 and 2010 are follows:

	<u>2011</u>		<u>2010</u>	
	<u>Revenues</u>	<u>Expenses</u>	<u>Revenues</u>	<u>Expenses</u>
Town of Ashland	\$ 316,056	\$ -	\$ 309,394	\$ -
County of Charles City	3,325	68	3,382	468
County of Chesterfield	3,264,935	66,463	3,318,104	50,317
City of Colonial Heights	1,051,398	3,965	1,033,505	2,913
County of Goochland	549,543	55,050	583,347	45,619
County of Hanover	264,056	114,358	225,008	77,095
County of Henrico	2,586,656	116,717	2,525,292	61,874
City of Hopewell	1,416,650	3,752	1,395,594	2,839
County of New Kent	396,351	62,404	411,763	47,371
City of Petersburg	1,484,211	948	1,418,338	966
County of Powhatan	508,216	20,623	501,490	16,735
County of Prince George	151,560	20,139	149,543	16,444
City of Richmond	1,564,934	5,178	1,604,945	4,369
Total	<u>\$13,557,891</u>	<u>\$ 469,665</u>	<u>\$13,479,705</u>	<u>\$ 327,010</u>

VIII. NET ASSETS

CVWMA's Net Assets Policy allows the Authority Board of Directors to designate for use by resolution the unrestricted net assets in excess of 5% of total annual operating budget. Since the CVWMA had funds in excess of the 5% retention, a rebate of accumulated funds in the amount of \$150,000 was given back to member jurisdictions in fiscal year 2010. This rebate was based on each member's prorated earnings in the recycling markets.

The following funds have a deficit net assets balances as of June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Major Funds:		
Waste Transfer & Disposal	\$ 15,568	\$ 8,036
Municipal Solid Waste	547	-
Non-Major Funds:		
Yard Waste Projects	\$ 7,618	\$ 5,895

Combining Financial Statements

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

**Combining Statement of Net Assets
Non-Major Funds
June 30, 2011**

	<u>CFC/ HCFC</u>	<u>Special Waste Collections</u>	<u>Waste Tire Processing</u>	<u>Appliance & Scrap Metal</u>	<u>Yard Waste Projects</u>	<u>Total</u>
Assets:						
Cash and cash equivalents	\$ 3,963	\$ 23,294	\$ 6,591	\$ 102,593	\$ -	\$136,441
Accounts receivable -						
local governments	2,070	18,613	13,811	(2,280)	51,366	83,580
Interfund balances	<u>-</u>	<u>(220)</u>	<u>-</u>	<u>-</u>	<u>(7,592)</u>	<u>(7,812)</u>
Total current assets	<u>6,033</u>	<u>41,687</u>	<u>20,402</u>	<u>100,313</u>	<u>43,774</u>	<u>212,209</u>
 Total assets	 <u>6,033</u>	 <u>41,687</u>	 <u>20,402</u>	 <u>100,313</u>	 <u>43,774</u>	 <u>212,209</u>
Liabilities and net assets:						
Accounts payable	1,882	16,549	12,282	24,849	51,392	106,954
Other accrued liabilities	<u>1,000</u>	<u>20,000</u>	<u>-</u>	<u>65,000</u>	<u>-</u>	<u>86,000</u>
 Total liabilities	 <u>2,882</u>	 <u>36,549</u>	 <u>12,282</u>	 <u>89,849</u>	 <u>51,392</u>	 <u>192,954</u>
Net Assets						
Unrestricted (deficit)	<u>\$ 3,151</u>	<u>\$ 5,138</u>	<u>\$ 8,120</u>	<u>\$ 10,464</u>	<u>\$ (7,618)</u>	<u>\$ 19,255</u>

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

**Combining Statement of Revenues, Expenses and Changes in Net Assets
Non-Major Funds
Year Ended June 30, 2011**

	<u>CFC/ HCFC</u>	<u>Special Waste Collections</u>	<u>Waste Tire Fund</u>	<u>Appliance & Scrap Metal</u>	<u>Yard Waste Projects</u>	<u>Total</u>
Operating revenues:						
Composting and yard waste revenue	\$ -	\$ -	\$ -	\$ -	\$429,922	429,922
Other project revenue and fees	21,270	\$ 133,473	55,972	-	-	210,715
Material sales rebates	-	90,297	-	352,286	-	442,583
	<u>21,270</u>	<u>223,770</u>	<u>55,972</u>	<u>352,286</u>	<u>429,922</u>	<u>1,083,220</u>
Operating expenses:						
Administrative/operating	13	213	26	181	233	666
Salaries and benefits	55	255	81	94	503	988
Professional service fees	61	308	125	737	987	2,218
Project contractual services	21,270	133,473	55,972	-	429,922	640,637
Material sales rebate (to localities)	-	89,355	-	352,286	-	441,641
	<u>21,399</u>	<u>223,604</u>	<u>56,204</u>	<u>353,298</u>	<u>431,645</u>	<u>1,086,150</u>
Operating income (loss)	<u>(129)</u>	<u>166</u>	<u>(232)</u>	<u>(1,012)</u>	<u>(1,723)</u>	<u>(2,930)</u>
Non-operating revenues:						
Interest income	<u>21</u>	<u>246</u>	<u>85</u>	<u>807</u>	<u>-</u>	<u>1,159</u>
Net income (loss)	(108)	412	(147)	(205)	(1,723)	(1,771)
Change in Net Assets	(108)	412	(147)	(205)	(1,723)	(1,771)
Net assets - beginning of year	<u>3,259</u>	<u>4,726</u>	<u>8,267</u>	<u>10,669</u>	<u>(5,895)</u>	<u>21,026</u>
Net assets - end of year	<u>\$ 3,151</u>	<u>\$ 5,138</u>	<u>\$ 8,120</u>	<u>\$ 10,464</u>	<u>\$ (7,618)</u>	<u>\$ 19,255</u>

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Combining Statement of Cash Flows Non-Major Funds Year Ended June 30, 2011

	<u>CFC/ HCFC</u>	<u>Special Waste Collections</u>	<u>Waste Tire Processing</u>	<u>Appliance & Scrap Metal</u>	<u>Yard Waste Projects</u>	<u>Total</u>
Cash Flows From Operating Activities:						
Receipts from local governments	\$26,763	\$ 134,394	\$ 50,961	\$ (4,463)	\$519,227	\$ 726,882
Receipts from the sale of recyclables	-	942	-	-	-	942
Payments to contractors	(22,073)	(134,581)	(59,994)	17,090	(458,446)	(658,004)
Payments to suppliers	(74)	(521)	(151)	(918)	(1,220)	(2,884)
Payments to employees	(55)	(255)	(81)	(94)	(503)	(988)
Net cash provided by (used in) operating activities	<u>4,561</u>	<u>(21)</u>	<u>(9,265)</u>	<u>11,615</u>	<u>59,058</u>	<u>65,948</u>
Cash Flows From Noncapital Financing Activities:						
Interfund transfers, net	(619)	(1,100)	-	-	(59,058)	(60,777)
Net cash provided by noncapital financing activities	<u>(619)</u>	<u>(1,100)</u>	<u>-</u>	<u>-</u>	<u>(59,058)</u>	<u>(60,777)</u>
Cash Flows From Investing Activities:						
Interest received	21	246	85	807	-	1,159
Net cash provided by investing activities	<u>21</u>	<u>246</u>	<u>85</u>	<u>807</u>	<u>-</u>	<u>1,159</u>
Net increase (decrease) in cash and cash equivalents	3,963	(875)	(9,180)	12,422	-	6,330
Cash and cash equivalents at June 30, 2010	-	24,169	15,771	90,171	-	130,111
Cash and cash equivalents at June 30, 2011	<u>\$ 3,963</u>	<u>\$ 23,294</u>	<u>\$ 6,591</u>	<u>\$102,593</u>	<u>\$ -</u>	<u>\$ 136,441</u>

Reconciliation of operating loss to net cash provided by operating activities:

Net operating income (loss)	\$ (129)	\$ 166	\$ (232)	\$ (1,012)	\$ (1,723)	\$ (2,930)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
(Increase) decrease in operating assets:						
Accounts receivable-local governments	5,493	921	(5,011)	(4,463)	89,305	86,245
Increase (decrease) in operating liabilities:						
Accounts payable	(803)	(1,108)	(4,022)	17,090	(28,524)	(17,367)
Net cash provided by (used in) operating activities	<u>\$ 4,561</u>	<u>\$ (21)</u>	<u>\$ (9,265)</u>	<u>\$ 11,615</u>	<u>\$ 59,058</u>	<u>\$ 65,948</u>

Statistical Section

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

Financial Trends

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

Page 28	Net Assets by Component
Page 28	Changes in Net Assets
Page 29	Operating Revenues by Source
Page 30	Operating Expenses
Page 31	Nonoperating Revenues

Revenue Capacity

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

Page 32	Curbside Recycling and Municipal Solid Waste Rates
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Debt Capacity

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

Economic and Demographic Information

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

Page 33	Revenue by Locality
Page 34	Demographic and Economic Statistics
Page 35	Principal Employers

Operating Information

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

Page 36	Materials Collected
Page 37	Number of Customers by Type
Page 38	Number of Employees by Function

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Net Assets by Component – Last Eight Fiscal Years

	Fiscal Year							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Capital assets, net	\$ 31,268	\$ 52,702	\$ 74,016	\$ 67,300	\$ 71,826	\$ 63,236	\$ 72,964	\$ 73,379
Unrestricted	<u>609,446</u>	<u>610,693</u>	<u>811,699</u>	<u>886,033</u>	<u>783,187</u>	<u>655,855</u>	<u>586,791</u>	<u>586,173</u>
Total net assets	<u>\$640,714</u>	<u>\$663,395</u>	<u>\$885,715</u>	<u>\$953,333</u>	<u>\$855,013</u>	<u>\$719,091</u>	<u>\$659,755</u>	<u>\$659,552</u>

Notes:

Eight years of data is presented beginning with fiscal year 2004, the year in which the Authority adopted Governmental Accounting Standards Board Statement No. 34.

Changes in Net Assets – Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>Operating Revenues</i>	<i>Operating Expenses</i>	<i>Operating Income (Loss)</i>	<i>Total Non-operating Revenues (Expenses)</i>	<i>Change in Net Assets</i>
2011	\$14,044,355	\$14,116,751	\$ (72,396)	\$ 49,715	\$ (22,681)
2010	13,818,000	13,924,345	(106,345)	34,025	(222,320)
2009	13,337,165	13,458,101	(120,936)	53,318	(67,618)
2008	12,959,991	12,979,129	(19,138)	117,458	98,320
2007	12,484,272	12,512,725	(28,453)	164,375	135,922
2006	11,235,013	11,291,906	(56,893)	116,229	59,336
2005	11,294,121	11,344,839	(50,718)	50,921	203
2004	10,723,773	10,781,501	(57,728)	18,333	(39,395)
2003	10,366,556	10,439,523	(72,967)	30,252	(42,715)
2002	10,219,023	10,402,383	(183,360)	51,138	(132,222)

Notes:

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 34 in fiscal year 2004.

The significant change in Net Assets for fiscal year 2010 was due mostly to a rebate of \$150,000 of accumulated funds given back to the member jurisdictions. This rebate was based on each member's prorated earnings in the recycling markets. CVWMA's Net Assets Policy allows the Authority to consider a rebate of unrestricted net assets in excess of 5% of total operation budget.

Further detailed information on revenues and expenses can be found on pages 29-33 of this document.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Operating Revenues by Source – Last Ten Fiscal Years

	<i>Local Gov't Assmts</i>	<i>Recycling(1)</i>	<i>Refuse and Solid Waste(2)</i>	<i>Composting and Yard Waste(3)</i>	<i>Other Projects(4)</i>	<i>Material Sales(5)</i>	<i>Total</i>
2011	\$ 508,688	\$ 6,405,782	\$ 6,009,299	\$ 429,922	\$ 210,715	\$ 479,949	\$ 14,044,355
2010	503,312	6,207,895	6,053,238	445,477	209,243	335,835	13,818,000
2009	497,069	5,677,879	6,023,046	471,765	228,914	438,492	13,337,165
2008	491,808	5,231,168	6,153,941	426,106	313,343	343,625	12,959,991
2007	483,888	5,159,923	5,530,833	842,723	315,866	151,039	12,484,272
2006	478,128	4,902,672	5,210,911	314,848	192,498	135,956	11,235,013
2005	472,080	4,597,609	5,249,047	579,312	216,082	179,991	11,294,121
2004	466,550	4,422,097	5,315,264	156,841	205,187	157,834	10,723,773
2003	466,550	4,268,968	5,056,457	282,471	193,402	98,708	10,366,556
2002	466,550	4,014,016	5,134,515	309,479	219,652	74,811	10,219,023

Notes:

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

(1) Recycling programs include curbside and drop off recycling services, which include the recycling of traditional materials such as paper, cardboard and aluminum, plastic and glass bottles and jars. The CVWMA negotiated a new contract for residential collection and processing of recyclable material, which became effective July 1, 2009. Seven localities participate in curbside recycling and eleven participate in drop off recycling.

(2) The refuse and solid waste programs include municipal solid waste collection and disposal in Ashland, Colonial Heights, Hopewell and Petersburg and transfer and disposal from the convenience centers in Chesterfield, Goochland, New Kent, Powhatan and Prince George.

(3) The yard waste grinding and leaf composting contracts are on an as needed basis with no minimum volume guaranteed. The decline in 2004 is believed to be related to Hurricane Isabel in September 2003 whereas much of the yard waste was cleaned up with the debris from the storm instead of being recycled through CVWMA programs. In 2005 activity increased significantly as the Authority renegotiated the contract with one of the grinding contractors to include billing through the CVWMA instead of direct billing the locality. The City of Richmond and County of Henrico increased their usage of the program in 2007; however Henrico did not use yard waste or grinding services in 2008.

(4) Other projects include other waste disposal and recycling programs such as waste tire recycling, appliance and scrap metal recycling and household hazardous waste disposal. In fiscal year 2007, Richmond hosted a household hazardous waste collection event for its residents incurring expenses of almost \$125,000. In the spring of 2008, the City of Richmond opened an on going collection site for household hazardous waste such as paint, solvents, oil, propane tanks and batteries. Ten electronics recycling events were held in fiscal year 2011 and about 60 tons collected. In addition, the four localities collecting electronic waste at solid waste convenience centers recycled 260 tons.

(5) The revenue generated from the sale of recyclables is dependent upon the market at the time of the sale. Markets have fluctuated in the last ten years typically related to the fluctuation in the economy.

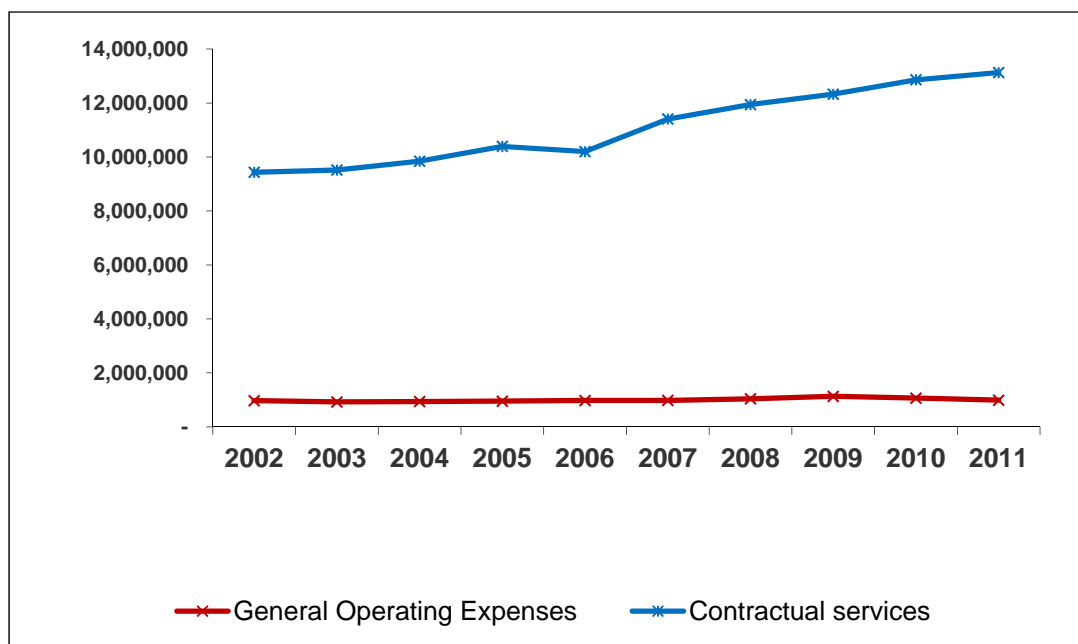
CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Operating Expenses – Last Ten Fiscal Years

	<i>Administrative/ Operating</i>	<i>Salaries And Benefits</i>	<i>Professional Service Fees</i>	<i>Depreciation</i>	<i>Project Contractual Services</i>	<i>Material Sales Rebates*</i>	<i>Total Operating Expenses</i>
2011	\$214,794	\$679,960	\$70,356	\$23,453	\$12,658,523	\$469,665	\$14,116,751
2010	270,952	690,548	75,274	27,485	12,533,001	327,085	13,924,345
2009	332,276	671,271	94,522	30,577	11,912,611	416,844	13,458,101
2008	347,610	601,933	56,730	31,278	11,660,096	281,482	12,979,129
2007	336,010	546,538	67,941	29,136	11,406,423	126,677	12,512,725
2006	300,708	597,878	42,244	34,242	10,198,982	117,852	11,291,906
2005	295,331	576,452	46,967	33,598	10,239,347	153,144	11,344,839
2004	300,479	537,014	60,248	40,295	9,707,304	136,161	10,781,501
2003	297,369	523,410	57,349	44,757	9,432,406	84,232	10,439,523
2002	317,854	496,921	113,145	41,062	9,375,937	57,464	10,402,383

Notes:

Administrative/operating costs were reduced in accordance with shrinking revenues. The Authority implemented the results of a pay, classifications and benefits study conducted in 2008. In addition, the Authority conducted a study of eligible curbside recyclers in 2009 in an effort to ultimately increase participation and usage of the program by residents. General operating expenses, including salaries, benefits and professional fees have remained relatively constant in relation to program costs over the last ten years.



CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Nonoperating Revenues – Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>Grants and Sponsorships</i>	<i>Interest Income</i>	<i>Miscellaneous</i>	<i>Total Nonoperating Revenues</i>
2011	\$ 10,000	\$ 28,415	\$ 11,300	\$ 49,715
2010	13,800	20,225	-	34,025
2009	17,448	31,996	3874	53,318
2008	8,390	108,252	816	117,458
2007	20,700	143,675	-	164,375
2006	2,936	113,293	-	116,229
2005	2,500	47,631	790	50,921
2004	2,000	16,333	-	18,333
2003	7,000	22,025	1,227	30,252
2002	11,500	39,638	-	51,138

Notes:

The Authority received a sponsorship from Dominion Resources for the 2011 Curbside Recycling Calendar. The Authority also received funds from fourteen sponsors for the CVWMA's 20th Anniversary event. The Authority conducted a two year pilot study in fiscal years 2008 and 2009 to determine the amount of recyclable material generated in schools through a grant from the US Environmental Protection Agency. The Authority relies somewhat on investment and interest income, the fluctuation of which is a factor of the economy.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Curbside Recycling and Municipal Solid Waste Rates Last Ten Fiscal Years

Curbside Recycling – Rates per household per month

	<u>Bi-Weekly Collection</u>	<u>Weekly Collection</u>	<u>Public Education</u>	<u>Customer Service</u>
2011	\$ 1.721	\$ 2.723	\$.060	\$.061
2010	1.682	2.662	.080	.060
2009	1.479	2.332	.086	.070
2008	1.422	2.242	.083	.067
2007	1.383	2.181	.080	.065
2006	1.338	2.109	.078	.063
2005	1.298	2.046	.076	.061
2004	1.266	2.002	.085	.056
2003	1.229	1.944	.085	.055
2002	1.211	1.915	.085	.054

Municipal Solid Waste Rates

	<u>Municipal Solid Waste Collection per household Per month</u>	<u>Tipping Fees Range Dollars Per Ton</u>
2011	\$9.51 - \$14.93	\$29.25 - \$36.30
2010	\$9.00 - \$14.13	\$27.76 - \$35.59
2009	\$9.00 - \$14.13	\$27.76 - \$35.59
2008	\$8.64 - \$15.27	\$26.64 - \$34.16
2007	\$6.12 - \$10.611	\$24.89 - \$31.92
2006	\$5.87 - \$10.183	\$24.89 - \$27.34
2005	\$5.71 - \$9.906	\$24.21 - \$26.42
2004	\$5.54 - \$9.60	\$23.48 - \$25.00
2003	\$5.43 - \$9.40	\$32.02 - \$36.02
2002	\$4.54 - \$6.26	\$32.02 - \$36.02

Notes:

The curbside recycling program collection rates vary based on the participating jurisdictions' desire to provide weekly or bi-weekly collection to households eligible for curbside collection. The current contract became effective July 1, 2009. A fee is charged participating localities for public education and the CVWMA uses those funds to promote the program regionally. A separate fee is charged for customer service. Beginning in 1999, the Authority implemented a call center to handle service related calls in the curbside program. The public relations rate was reduced in Fiscal Year 2005 and the call center assessment was increased to cover related costs. The public relations rate was further reduced in FY 2011 to 6 cents/household per month during the budget process.

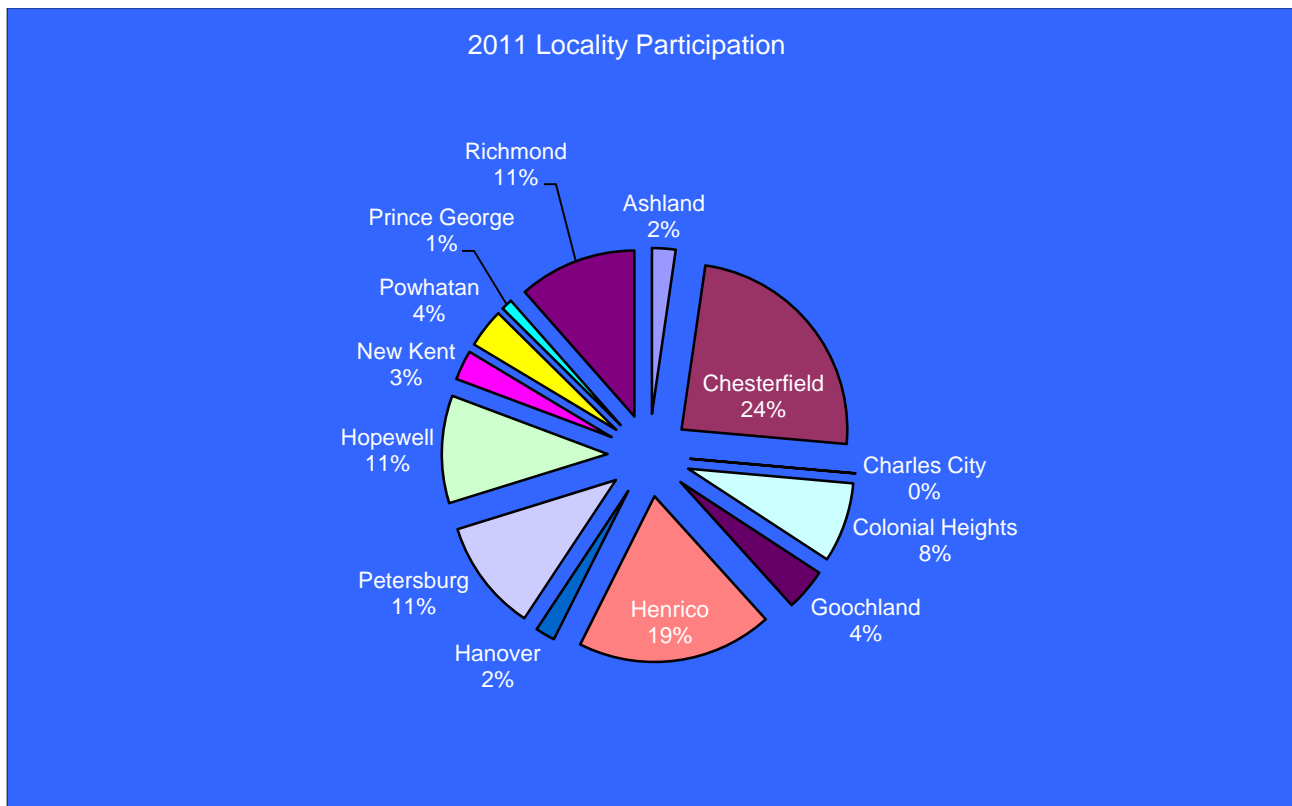
The current municipal solid waste contracts include the Cities of Colonial Heights, Hopewell and Petersburg and the Town of Ashland. Prior to the contract procurement in 2002, the rates included collection only and disposal was based on the current tipping fees at the time. Beginning with the 2003 fiscal year, the collection rates include disposal. In addition in fiscal year 2003, Petersburg joined the program with over 11,000 households. In fiscal year 2010, rates remained the same due to a deflation in the economy.

The Authority also has contracts for waste disposal from area convenience centers. The tipping fees (per ton disposal fees) were reduced in fiscal year 2003-2004 with the early renewal of those contracts.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Revenue by Locality – Current Year and Nine Years Ago

<i>Locality</i>	<i>2011 Operating Revenues</i>	<i>2011 Percent of Revenue</i>	<i>Locality</i>	<i>2002 Operating Revenues</i>	<i>2002 Percent of Revenue</i>
County of Chesterfield	\$ 3,264,935	24.1%	County of Chesterfield	\$ 2,901,541	28.6%
County of Henrico	2,586,656	19.1%	County of Henrico	1,576,092	15.5%
City of Richmond	1,564,934	11.5%	City of Richmond	1,240,391	12.2%
City of Petersburg	1,484,211	10.9%	City of Colonial Heights	1,104,892	10.9%
City of Hopewell	1,416,650	10.5%	City of Hopewell	1,051,418	10.4%
City of Colonial Heights	1,051,398	7.8%	County of New Kent	506,478	5.0%
County of Goochland	549,543	4.1%	County of Powhatan	490,163	4.8%
County of Powhatan	508,216	3.8%	County of Goochland	473,364	4.7%
County of New Kent	396,351	2.9%	County of Prince George	314,991	3.1%
Town of Ashland	316,056	2.3%	Town of Ashland	214,919	2.1%
County of Hanover	264,056	1.9%	County of Hanover	179,960	1.8%
County of Prince George	151,560	1.1%	City of Petersburg	85,699	.9%
County of Charles City	<u>3,325</u>	<u>0.0%</u>	County of Charles City	<u>3,324</u>	<u>0.0%</u>
Sub-totals	13,557,891	<u>100.0%</u>		10,143,232	<u>100.0%</u>
CVWMA Contractors	<u>486,464</u>			<u>74,811</u>	
Totals	<u>\$ 14,044,355</u>			<u>\$ 10,218,043</u>	



CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

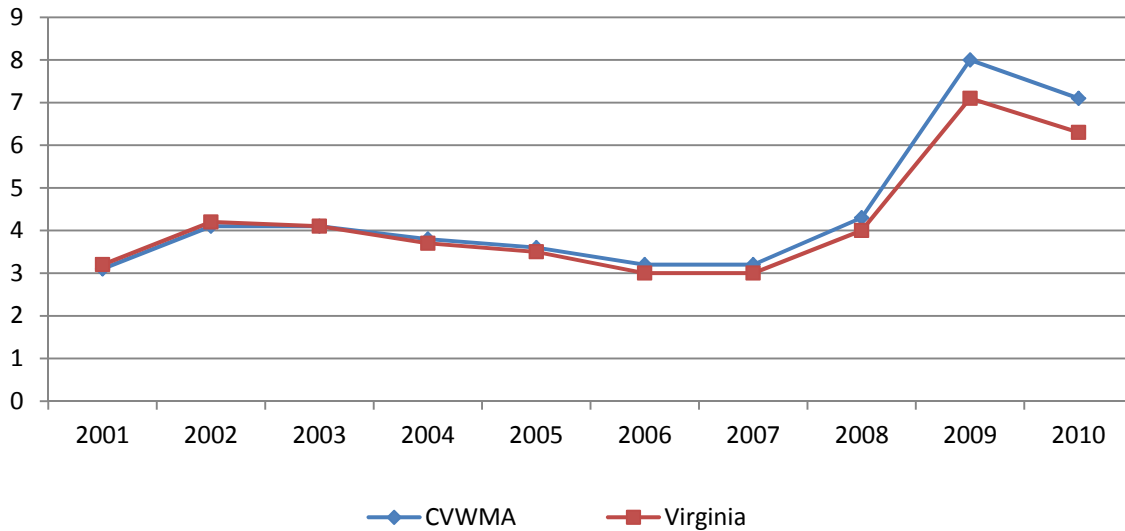
Demographic and Economic Statistics – Last Ten Calendar Years

<i>Calendar Year</i>	<i>Population</i>	<i>Personal Income</i>	<i>Per Capita Personal Income</i>	<i>Unemployment Rate</i>	
				<i>CVWMA</i>	<i>Virginia</i>
2010	1,110,843	Not available	Not available	7.1%	6.3%
2009	1,085,076	\$ 46,894,089	\$ 40,927	8.0%	7.1%
2008	1,070,522	47,917,871	41,510	4.3%	4.0%
2007	1,061,818	44,839,275	39,329	3.2%	3.0%
2006	1,044,658	42,324,089	37,110	3.2%	3.0%
2005	1,033,800	41,898,041	35,364	3.6%	3.5%
2004	1,024,600	40,977,815	35,422	3.8%	3.7%
2003	1,008,500	38,013,232	33,316	4.1%	4.1%
2002	996,100	36,593,355	32,513	4.1%	4.2%
2001	983,500	35,437,187	31,887	3.1%	3.2%

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

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

Unemployment Rate Comparison



CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Central Virginia Principal Employers

Current Year and Nine Years Ago

Employer **	Fiscal Year 2011*	Fiscal Year 2002*
	<u>Rank</u>	<u>Rank</u>
Virginia Commonwealth University	1	4
Henrico County School Board	2	3
Chesterfield County School Board	3	2
Capital One Bank	4	1
MCV Hospital	5	8
U. S. Department of Defense	6	7
Bon Secours Richmond Health System	7	-
Wal-Mart	8	6
Richmond City Public Schools	9	10
City of Richmond	10	-
Philip Morris U.S.A., Inc.	-	5
Ukrops	-	9

* Final Quarter data for most recent calendar year (2010 and 2001).

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

Source of Data: Virginia Employment Commission

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Material Collected – Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>Tons Recycled*</i>	<i>Tons of Municipal Solid Waste</i>	<i>Cubic Yards Of Yard Waste</i>	<i>Gallons of Paint Collected</i>	<i>Gallons of Used Oil Collected</i>	<i>Tons of Batteries Recycled</i>	<i>Propane Tanks Recycled</i>	<i>Tons of Tires Recycled</i>	<i>Tons of Electronics Recycled</i>	<i>Tons of Textile</i>
2011	41,886	72,434	255,388	12,155	116,805	19.1	1597	778	365	333
2010	42,824	74,646	257,925	12,485	131,025	33.5	974	882	320	290
2009	43,750	75,154	419,465	13,475	49,660	56.8	1,789	652	398	177
2008	42,580	120,287	343,540	13,255	45,795	99.2	2,029	756	173	56
2007	40,807	124,628	653,420	9,900	46,065	127.3	1,896	673	45	-
2006	39,639	107,525	277,751	9,490	45,660	143.8	2,285	713	40	-
2005	39,594	111,937	450,235	12,485	43,830	102.1	1,862	606	21	-
2004	40,658	118,242	253,048	10,695	97,996	1.3	1,819	602	-	-
2003	39,862	102,036	387,759	11,660	91,485	.4	1,307	547	-	-
2002	37,840	83,336	353,095	14,135	88,732	.4	-	761	-	-

* Includes paper, metals, plastic and glass.

Source of Data: CVWMA Operations Department

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Number of Customers by Type – Last Ten Fiscal Years

Curbside Recycling

<i>Fiscal Year</i>	<i>Ashland</i>	<i>Chesterfield</i>	<i>Colonial Heights</i>	<i>Goochland*</i>	<i>Hanover**</i>	<i>Henrico</i>	<i>Richmond</i>	<i>Total</i>
2011	1,465	95,744	6,335	957	2,760	83,760	60,826	251,847
2010	1,465	94,347	6,308	1,232	2,728	82,720	60,508	249,308
2009	1,465	93,767	6,279	1,207	1,031	82,031	60,179	245,959
2008	1,465	91,983	6,246	1,166	-	80,584	61,306	242,750
2007	1,465	91,017	6,216	1,099	-	79,026	61,007	239,830
2006	1,465	88,492	6,200	1,066	-	77,703	64,291	239,217
2005	1,465	86,313	6,179	1,053	-	73,096	64,106	232,212
2004	1,465	85,463	6,127	1,013	-	72,428	64,060	230,556
2003	1,465	84,807	6,067	992	-	71,538	63,976	228,845
2002	1,465	72,162	6,024	962	4,341	68,218	63,753	216,925

Municipal Solid Waste Collection

<i>Fiscal Year</i>	<i>Ashland</i>	<i>Colonial Heights</i>	<i>Hopewell</i>	<i>Petersburg***</i>	<i>Total</i>
2011	1,465	6,337	8,644	11,810	28,256
2010	1,465	6,488	8,768	11,811	28,532
2009	1,465	6,500	8,768	12,041	28,774
2008	1,465	6,498	8,768	12,041	28,772
2007	1,465	6,494	8,768	12,032	28,759
2006	1,465	6,446	8,156	11,905	27,972
2005	1,465	6,607	8,156	11,775	28,003
2004	1,465	6,607	8,156	11,742	27,970
2003	1,465	6,554	8,156	11,447	27,622
2002	1,465	6,471	8,156	-	16,092

Notes:

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

* The County of Goochland decided to stop offering curbside recycling to its residents effective July 1, 2010, but reinstated some subdivisions on October 7, 2010.

** The County of Hanover decided to stop offering curbside recycling to its residents effective July 1, 2002, but reinstated some subdivisions on July 1, 2008.

*** The City of Petersburg joined the municipal solid waste collection program July 1, 2002.

Source of Data: CVWMA Operations Department

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Number of Employees by Function – Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30,									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Program Management and Operations	2.5	2.5	2.5	2.5	2.5	2.5	1.5	2.5	2.5	2.5
Public Information and Education	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.5
Finance and Administration	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Call Center Operations	<u>3.5</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>3.5</u>	<u>3.5</u>
Total Employees	<u>11.0</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>11.5</u>	<u>10.5</u>	<u>11.5</u>	<u>10.5</u>	<u>11.0</u>

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

Source of Data: CVWMA Administrative Office

Compliance

Section

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**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***

The Board of Directors
Central Virginia Waste Management Authority
Richmond, Virginia

We have audited the financial statements of each major fund, and the aggregate remaining fund information of Central Virginia Waste Management Authority (the “Authority”) as of and for the year ended June 30, 2011, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated August 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations,

contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

This report is intended solely for the information and use of, management, the Board of Directors, audit committee, member jurisdictions, and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert + Holland, LLP

Richmond, Virginia
August 31, 2011