ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2026

CVWMA

Central Virginia Waste Management Authority



CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Annual Comprehensive Financial Report

July 1, 2025 Through June 30, 2026

Prepared By:

Teresa Eckhout
Finance and Administration Manager

Kimberly A. Hynes
Executive Director

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Introductory Section

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CENTRAL VIRGINIA
WASTE MANAGEMENT AUTHORITY

2100 West Laburnum Avenue, Suite 105, Richmond, Virginia 23227 . 804/359-8413 . Fax 804/359-8421 . www.cvwma.com

October 14, 2026

Board of Directors
Central Virginia Waste Management Authority
Richmond, Virginia

Members of the Board, Member Jurisdictions and Citizens of Central Virginia:

The Annual Comprehensive Financial Report ("ACFR") of the Central Virginia Waste Management Authority ("Authority" or "CVWMA") for the year ended June 30, 2026 is submitted herewith. This report was prepared by the Finance and Administrative Manager and the Executive Director. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the undersigned management of the Authority. The financial statements have been audited by the independent accounting firm of Brown, Edwards & Company L.L.P., whose report is included herein. The ACFR has been prepared in accordance with accounting principles generally accepted in the United States of America for governmental accounting and reporting as promulgated by the Governmental Accounting Standards Board.

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

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

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

ORGANIZATION AND FUNCTION

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

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

ECONOMIC CONDITION AND OUTLOOK

The U.S. economy continues to demonstrate moderate growth. According to the U.S. Bureau of Economic Analysis (BEA), real gross domestic product (GDP) increased at an annual rate of 2.2% in the second quarter of 2026. GDP increased in 44 states, including Virginia, where GDP grew at an annual rate of 1.2%. Growth during the quarter was driven primarily by increases in consumer spending, business investment, and exports. Although imports also increased, they are treated as a subtraction in the calculation of GDP and therefore partially offset overall economic growth.

Inflation remains elevated compared with the Federal Reserve's 2% target. The Consumer Price Index is 3.4% year-over-year as of August 2026. Persistent inflation continues to drive up operating costs in the waste and recycling industry, particularly for transportation and labor. While inflation is expected to slow, costs are likely to remain above previous years, putting pressure on municipal budgets and service contracts. Waste and recycling operators may seek rate adjustments, invest in automation and route optimization, and pursue operational efficiencies to offset rising expenses. Ongoing inflationary pressures remain an important factor in contract negotiations and financial planning.

The labor market remains stable. Unemployment in Virginia is 3.6% in August, which reflects a stable labor market compared to national unemployment of 4.2%. Personal income is up 3.2% from last year. Increased household earnings help sustain consumer spending, strengthen demand for local goods and services, and support local tax revenues, however ongoing inflationary pressures may limit consumer spending, particularly for gas, food and other household costs.

Population growth, increased consumer spending, and ongoing economic development contribute to higher levels of residential and commercial waste generation. In addition, land clearing and construction associated with new residential, commercial, and infrastructure projects increase the volume of construction and vegetative debris requiring management.

The United States generates more than 300 million tons of waste annually, with more than one million tons generated in the Central Virginia region. As available landfill capacity continues to decline both within and outside the region, developing sustainable waste management solutions has become increasingly important. The siting, permitting, and construction of new landfills are becoming more difficult and costly, while longer hauling distances and reduced disposal competition continue to place upward pressure on waste management costs.

These challenges underscore the need for a sustainable and resilient waste management system. Reducing reliance on landfilling, expanding waste reduction and recycling opportunities, and recovering value from discarded materials remain central goals of the Authority. Such efforts help protect environmental resources, support the regional economy, and provide long-term cost stability for member jurisdictions and residents.

MAJOR INITIATIVES

The CVWMA celebrated 35 years in this fiscal year! Through strategic planning, regional collaboration, and strong partnerships with local governments and private industry, CVWMA has been a catalyst for advancing more effective and sustainable waste management practices for the region's 1.3 million residents. Together, nearly 17 million tons of waste has been diverted from landfills over the past 35 years.

CVWMA has implemented a range of programs and initiatives that have significantly improved access to recycling and waste diversion opportunities. These efforts have fostered greater participation among residents across all communities in the region. The region generates about one million tons of waste annually. In 1990, the primary method for managing this waste was through landfilling, with limited infrastructure in place for recycling or alternative disposal methods.

Diminishing landfill capacity coupled with increased disposal and transportation costs enhances the importance of lessening reliance on landfill disposal in the future.

CVWMA is committed to enhancing and expanding existing programs, while also developing new initiatives that align with the mission and goals outlined in the strategic plan. For instance, the Authority launched a food waste collection and composting program in fiscal year 2026 in the three largest localities in the region. Organic waste currently makes up nearly one-third of the material sent to landfills, and diverting more of it will significantly reduce landfill dependence while preserving valuable resources. In addition to this initiative, CVWMA has been working to develop a regional mattress recycling program. Mattresses present unique challenges due to their bulky nature and the difficulties involved in both collection and disposal. Addressing these materials through dedicated recycling efforts will help reduce strain on local landfills and improve overall waste management efficiency.

Many essential services operate across jurisdictional boundaries, including solid waste and recycling. The regional approach to sustainable materials management is beneficial to member jurisdictions, allowing for shared strategies, economies of scale, and a unified response to evolving environmental and regulatory demands. CVWMA remains committed to improving the region's waste management in ways that support a more circular economy. Reducing waste, increasing diversion efforts, and exploring alternatives to landfilling are essential as we plan for the future.

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 control adequately safeguards assets and provide reasonable assurance of proper recording of financial transactions.

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

INDEPENDENT AUDIT

State statute requires an annual audit by independent certified public accountants. The public accounting firm of Brown, Edwards & Company, L.L.P. was selected by the Authority's Audit Committee to perform the audit for the fiscal year ended June 30, 2026. The independent auditors' report on the financial statements is included in the financial section of this report.

AWARDS AND ACHIEVEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Central Virginia Waste Management Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2025. This was the twenty ninth

consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

ACKNOWLEDGMENTS

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

Respectfully submitted,



Kimberly Hynes
Executive Director



Teresa Eckhout
Finance and Administration Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Virginia Waste Management Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

2025-2026 Board of Directors

Cary Drane, County of Chesterfield
Chair

Jordan Stewart, County of New Kent
Vice-Chair

Randy Hardman, County of Hanover
Secretary

John Mitchell, County of Henrico
Treasurer

Elizabeth Hall, City of Richmond
Director

Stephen Chidsey, Town of Ashland
Robert Dunn, County of Chesterfield
Clay Bowles, County of Chesterfield
Doug Smith, City of Colonial Heights
Don Leftwich, County of Goochland
Jeff Stoneman, County of Hanover
Marcia E. Kelley, County of Henrico
Marilee Tretina, County of Henrico
Monique Robertson, City of Hopewell
Robert Powers, County of Powhatan
Scott Enos, County of Prince George
Robert McMillen, City of Richmond
Joshua Mathews-Ailsworth

Administrative Staff

Kimberly A. Hynes, Executive Director

Terry Eckhout, Finance and Administration Manager

Katrina Entzminger, Director of Recycling & Waste Management

Julie Buchanan, Public Relations Coordinator

Reginald D. Thompson, Operations Analyst

Olivia Beidler, Recycling Coordinator

Stephanie N. Breaker, Senior Contact Center Manager

Angela Burley, Customer Service Representative

Stephanie Anderson, Customer Service Representative

Jason Brown, Customer Service Representative

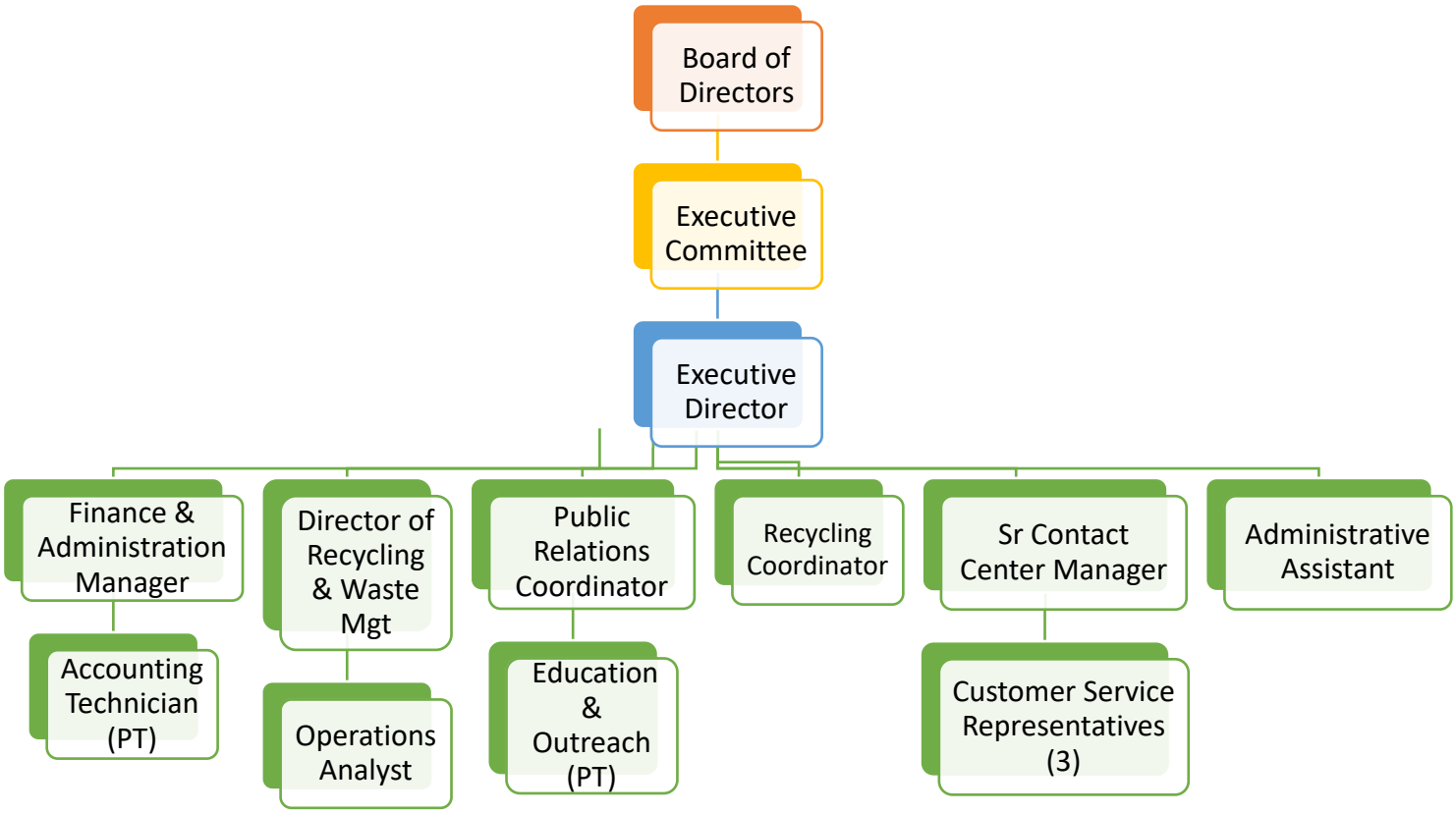
Latanya McBride, Administrative Assistant

Stephanie Burr, Education and Outreach, part-time

Barbara Trimmer, Accounting Technician, part-time

CVWMA General Counsel
James Snyder
McCandlish Holton PC

ORGANIZATIONAL CHART



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Financial
Section

BROWNEDWARDS
certified public accountants

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Central Virginia Waste Management Authority (the "Authority") as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major funds of the Authority as of June 30, 2026, and the respective changes in net 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 Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2026, the Authority adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets.* Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We have previously audited the Authority's 2025 financial statements, and our report dated November 3, 2025, expressed an unmodified opinion on those financial statements. The summarized comparative information presented therein for the year ending June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
October 14, 2026

Management's Discussion And Analysis

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CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY
Management's Discussion and Analysis

This section of the Central Virginia Waste Management Authority ("Authority" or "CVWMA") Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis (MD&A). The purpose of the MD&A is to help the Authority and other readers understand what the financial statements and notes in this financial report say about the Authority's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the Authority's finances. The MD&A should be read in conjunction with the preceding transmittal letter and the CVWMA's financial statements.

If you have questions about this report or require further information, contact the Department of Finance at finance@cvwma.com or 804-612-0551.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's report contains basic financial statements. The basic financial statements for the Authority include the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The information presented in these three statements are as follows:

- The *Statement of Net Position* presents the net position of the Authority as measured in terms of assets and liabilities as of FY2026. See the definition of these line items below. The difference between these assets and liabilities reflects the net position of the Authority at year-end. Over time, increases or decreases in net position helps determine whether the Authority's financial position is improving or declining.
- The *Statement of Revenues, Expenses, and Changes in Net Position* presents the results of operations during FY2026 and reflects the total excess or deficiency of revenues over expenses during the year. See definitions of revenues and expenses below.
- The *Statement of Cash Flows* presents the flow of cash and cash equivalents in and out of the Authority during FY2026. Cash flows are presented by type of activity the cash flow was related to – including operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

The next section of this financial report contains *notes to financial statements*, which delve deeper into the Authority's finances as reported in the financial statements. The information in the notes is as important to understanding the Authority's finances as the information in the financial statements. The Authority uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature and amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements.

Types of Information in the Financial Statements

All of the Authority's financial statements use the *economic resources measurement focus* and the *accrual basis of accounting*. In other words, they comprehensively report all types of financial statement elements including:

- *Assets* – resources the Authority controls, from short-term assets like cash to long-term assets like buildings and equipment, and capital leases.
- *Liabilities* – amounts the Authority owes, from short-term liabilities such as accounts payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions.
- *Deferred outflows of resources and deferred inflows of resources* – flows that occurred during the year, or in prior years, that will not be reported as expenses or revenues until the future year to which they are related.
- *Revenues and expenses* – inflows and outflows of economic resources, respectively, related to the current year.

More detail about the measurement focus and basis of accounting used can be found in NOTE 1 to the financial statements, the summary of significant accounting policies, beginning on page 15.

FINANCIAL SUMMARY

Table A-1
Authority's Net Position

	2026	2025	Percent Change 2026 - 2025
Current and other assets	$ 5,895,256	$ 5,711,488	3.2%
Capital assets, net	6,291,355	6,840,606	-8.0%
Total assets	12,186,611	12,552,094	-2.9%
Deferred Outflows of Resources	137,254	146,176	-6.1%
Other liabilities	7,336,244	6,769,396	8.4%
Long-term liabilities	2,926,944	3,757,542	-22.1%
Total liabilities	10,263,188	10,526,938	-2.5%
Deferred Inflows of Resources	118,515	93,689	26.5%
Net position			
Net investment in capital assets	2,688,018	2,364,764	13.7%
Unrestricted	(745,856)	(287,121)	159.8%
Total net position	$ 1,942,162	$ 2,077,643	-6.5%

Table A-1 shows that as of June 30, 2026, the Authority's total net position – assets and deferred outflows minus liabilities and deferred inflows – was over $1.9 million, a decrease of $135,481 or 6.5% compared to 2025.

Table A-2
Changes in Authority's Net Position

	2026	2025*	Percent Change 2026 – 2025
Total operating revenues	$23,967,110	$23,176,749	3.4%
Total operating expenses	24,090,042	23,082,889	4.4%
Operating income (loss)	(122,932)	93,860	-231.0%
Other non-operating revenues (expenses)			
Earnings on investments	30,262	17,549	72.4%
Interest Expense	(43,811)	(62,812)	-30.3%
Capital contributions	1,000	-	
Total other non-operating revenues (expenses)	(12,549)	(45,263)	-72.3%
Increase (decrease) in fund net position	(135,481)	48,597	-378.8%
Total fund net position – Beginning of period	2,077,643	2,029,046	2.4%
Total fund net position – End of period	**$1,942,162**	**$2,077,643**	-6.5%

*Under GASB 103, 2025 figures have been reclassified to adhere to the updated definitions of subsidies and operating and nonoperating revenues and expenses.

Table A-2 shows that operating expenses exceeded operating revenues in the current year, resulting in an overall operating loss and decrease in net position. Various events contributed to this decrease in net position; however, the primary factors affecting the change in net position are as follows:

1) The Authority anticipated and budgeted for a net loss of $135,265 for the amortization of the recycling cart grant recognized in full in fiscal year 2023.
2) Fluctuations in various commodity markets, resulted in less revenue from the sale of recyclable materials in 2026. The CVWMA keeps a portion of the revenue from the sale of recyclable materials in the drop-off recycling fund. As a result of declining demand, revenue and thus the CVWMA portion was significantly lower than in prior year.
3) The Authority celebrated 35 years in operation in the first half of the fiscal year with a reception, a recycling fair and a recycling event collecting electronics, paper for document shredding and textiles. The recycling event and fair were provided free to residents.
4) Salaries increased due to new hires and continued increased costs in benefits.

DETAILED ANALYSES

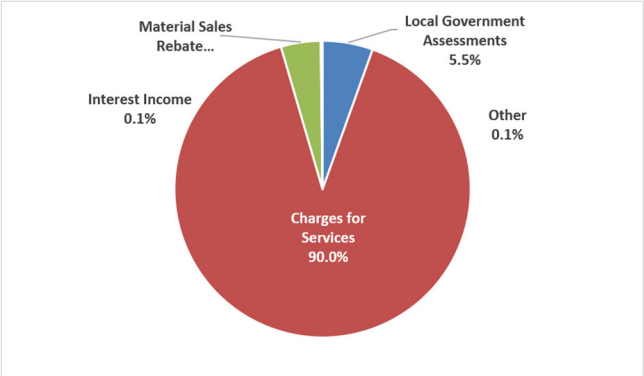
Table A-3
Revenues and Expenses

	2026	2025	Amount	% Change
Operating revenues:				
Local government assessments	$ 1,317,090	$ 1,273,287	$ 43,803	3.4%
Charges for services	21,594,059	20,622,303	971,756	4.7%
Material sales rebate	1,040,461	1,281,159	(240,698)	-18.8%
Miscellaneous	15,500	-	15,500	100.0%
Total operating revenues	23,967,110	23,176,749	790,361	3.4%
Operating expenses:				
Administrative/operating	264,207	243,404	20,803	8.5%
Salaries and benefits	1,072,114	970,143	101,971	10.5%
Professional service fees	176,817	122,395	54,422	44.5%
Depreciation and amortization	972,546	928,566	43,980	4.7%
Program contractual services	20,603,843	19,704,209	899,634	4.6%
Material sales rebate	1,000,515	1,114,172	(113,657)	-10.2%
Total operating expenses	24,090,042	23,082,889	1,007,153	4.4%
Operating income (loss)	(122,932)	93,860	(216,792)	-231.0%
Non-operating revenues (expenses):				
Capital grants and subsidies	1,000	-	1,000	100.0%
Interest income	30,262	17,549	12,713	72.4%
Interest expense and fiscal changes	(43,811)	(62,812)	19,001	-30.3%
Non-operating revenues (expenses)	(12,549)	(45,263)	32,714	-72.3%
Change in net position	(135,481)	48,597	(184,078)	-378.8%
Beginning net position	2,077,643	2,029,046	48,597	2.4%
Ending net position	$ 1,942,162	$ 2,077,643	$ (135,481)	-6.5%

*Under GASB 103, 2025 figures have been reclassified to adhere to the updated definitions of subsidies and operating and nonoperating revenues and expenses.

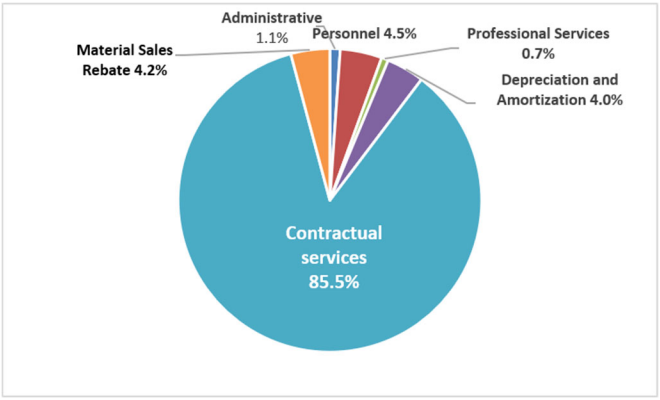
Growth in overall operating revenues

Overall operating revenues increased by a total of $790,361 or 3.4% from 2025 to 2026. Over 95% of CVWMA revenue comes from member jurisdictions through operating assessments and charges for services. The annual operating assessment is $.48 per capita and increases each year as a result of population increases. Charges for services increased due largely to inflation allowed under the Authority's existing contracts and thus passed on to member jurisdictions participating in those programs. In addition, the Authority has several contracts that generate revenue from the sale of recyclable materials. Overall material sales revenue is down from fiscal year 2025 based on market prices. Specifically, the used oil recycling market was lower due to the over supply of used oil in the market prior to the war with Iran.



Operating expenses

Operating expenses increased by 4.4% in 2026 from 2025. The Authority hired several new staff that began work in fiscal year 2025. All positions are now filled, where there were some vacancies in the prior year. CVWMA also celebrated 35 years in fiscal year 2026 with some special events, including a regional recycling event, a recycling fair (free to all residents in the region), reception and expanded Board meeting in December. These special activities expenses were budgeted for and included in professional services.



SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Overall, the carrying value of capital assets—original cost minus accumulated depreciation/amortization—decreased 8% over 2026. The Authority purchased over 5,000 recycling and trash carts during 2026, however continuing depreciation of the 95,000 recycling carts purchased in 2023 resulted in the decrease in value of capital assets. In addition, one cart lease was reclassified to capital assets from lease assets.

In 2026, repayments were made on the cart loan used to purchase the 95,000 recycling carts in 2023 resulting in a decrease in total long-term liabilities. In addition, a decrease in lease assets reflects the expiration of a portion of office lease arrangements and the execution of a purchase option for carts.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Authority is not aware of any major developments that will have an impact on the Authority's finances in the future, however economic conditions such as high fuel costs, inflation and high costs for goods and services could impact Authority finances in the future.

Recent economic reports

The unemployment rate within the Authority's coverage area has remained relatively steady over the past year, at 3.6 percent in August 2026 compared with 3.8 percent in 2025. While the labor market remains relatively stable, the Authority continues to face significant challenges associated with the rising cost of personnel and employee benefits.

Personnel costs have increased substantially over the past five years following the pandemic. The Authority has worked diligently to balance staffing requirements, fiscal responsibility, and broader economic pressures while maintaining the ability to attract and retain a qualified workforce.

Employees continue to experience significant and sustained increases in essential living expenses, including housing, utilities, food, gasoline, childcare, and other household costs. These financial pressures can place additional stress on employees and their families, which may affect morale, productivity, attendance, and long-term employee retention. Maintaining competitive compensation is therefore an important component of the Authority's efforts to preserve workforce stability and ensure continuity of essential services.

The cost of employee benefits has also increased considerably. In July 2026, the CVWMA's health insurance premiums increased by an additional 22 percent. This substantial increase adds to the Authority's overall personnel expenditures and further demonstrates the growing cost of maintaining a competitive total compensation package.

Continued increases in wages, benefits, and other personnel-related expenses highlights the need for the Authority to carefully evaluate compensation, staffing investments and funding mechanisms as part of its ongoing budget process. These investments are necessary to support recruitment and retention, maintain adequate staffing levels, and sustain the quality and reliability of services provided by the Authority.

Additionally, diesel fuel prices increased by nearly 30 percent between June and September 2026, contributing to increased transportation and operating costs throughout the waste management and recycling industry. These increases create additional financial pressures for the Authority and its contracted service providers.

CVWMA contracts with private-sector haulers and processors to transport recyclable materials, trash, and other waste materials. Because transportation represents a significant component of these contracted services, sustained increases in diesel fuel and other operating costs may place financial pressure on current contractors and affect the cost of future procurements for goods and services.

Continued increases in transportation costs may also affect contractor capacity, pricing, and participation in future solicitations. The Authority must therefore consider these market conditions as it evaluates contract renewals, future procurements, and overall budget requirements to ensure that sufficient resources are available o maintain reliable and cost-effective service delivery.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2026
With Comparative Totals at June 30, 2025

	General Operating Fund	Residential Recycling	Drop-Off Recycling	Municipal Solid Waste	Waste Transfer & Disposal	Special Wastes	Total 2026	2025
Assets:								
Cash and cash equivalents	$ 200,661	$1,349,689	$ 195,047	-	$ 317,772	-	$ 2,063,169	$2,519,838
Accounts receivable	587,682	1,468,821	361,506	660,641	265,347	450,488	3,794,485	3,154,228
Prepaid expenses	12,947	20,067	806	3,782	-	-	37,602	37,422
Total current assets	801,290	2,838,577	557,359	664,423	583,119	450,488	5,895,256	5,711,488
Capital Assets:								
Capital assets, net of depreciation	75,434	4,544,184	1,324	546,898	-	6,914	5,174,754	5,123,354
Lease assets, net of amortization	317,547	257,133	9,916	532,005	-	-	1,116,601	1,717,252
Capital assets, net	392,981	4,801,317	11,240	1,078,903	-	6,914	6,291,355	6,840,606
Total assets	1,194,271	7,639,894	568,599	1,743,326	583,119	457,402	12,186,611	12,552,094
Deferred Outflows of Resources:								
Pension related deferred outflows	50,631	57,382	1,125	3,375	-	-	112,513	124,622
OPEB related deferred outflows	12,867	10,849	282	743	-	-	24,741	21,554
Total deferred outflows of resource	63,498	68,231	1,407	4,118	-	-	137,254	146,176
Liabilities:								
Accounts payable	8,503	1,762,800	299,377	702,044	423,735	395,724	3,592,183	3,303,235
Reconciled overdraft	-	-	-	405,783	-	15,613	421,396	152,236
Compensated absences	46,209	62,044	-	-	-	-	108,253	90,554
Other accrued liabilities	13,772	15,896	419	857	-	-	30,944	53,899
Lease liability - current	23,166	15,358	656	206,147	-	-	245,327	304,342
Loan payable - current	-	590,272	-	-	-	-	590,272	590,272
OPEB Liabilities Due Within One Year	125	136	3	8	-	-	272	-
Unearned revenues	623,412	1,153,547	-	383,085	180,053	7,500	2,347,597	2,274,858
Total current liabilities	715,187	3,600,053	300,455	1,697,924	603,788	418,837	7,336,244	6,769,396
Long-term Liabilities:								
Lease liability	410,151	328,723	12,371	98,108	-	-	849,353	1,072,571
Loan payable	-	1,918,385	-	-	-	-	1,918,385	2,508,657
OPEB liabilities	35,745	27,532	783	1,982	-	-	66,042	69,077
Net pension liability	41,924	47,514	932	2,794	-	-	93,164	107,237
Total long-term liabilities	487,820	2,322,154	14,086	102,884	-	-	2,926,944	3,757,542
Total liabilities	1,203,007	5,922,207	314,541	1,800,808	603,788	418,837	10,263,188	10,526,938
Deferred Inflows of Resources:								
Pension related deferred inflows	44,136	50,020	981	2,942	-	-	98,079	77,523
OPEB related deferred inflows	10,626	8,964	233	613	-	-	20,436	16,166
Total deferred inflows of resources	54,762	58,984	1,214	3,555	-	-	118,515	93,689
Net Position (Deficit) :								
Net investment in capital assets	(40,336)	1,948,579	(1,787)	774,648	-	6,914	2,688,018	2,364,764
Unrestricted	40,336	(221,645)	256,038	(831,567)	(20,669)	31,651	(745,856)	(287,121)
Total net position (deficit)	$ -	$1,726,934	$ 254,251	$ (56,919)	$ (20,669)	$ 38,565	$ 1,942,162	$2,077,643

The notes are an integral part of the financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2026
With Comparative Totals for the Year Ended June 30, 2025

	General Operating Fund	Residential Recycling	Drop-Off Recycling	Municipal Solid Waste	Waste Transfer & Disposal	Special Wastes	Total 2026	2025
Operating revenues:								
Local government assessments	$ 613,255	$ -	$ -	$ -	$ -	$ -	$ 613,255	$ 606,580
Recycling	-	12,006,954	1,891,207	-	-	-	13,898,161	13,139,912
Refuse and solid waste	-	-	-	4,433,894	2,368,072	-	6,801,966	6,534,366
Composting and yard waste	-	-	-	-	-	1,013,360	1,013,360	1,154,543
Other project revenues	-	-	-	-	-	584,407	584,407	460,189
Material sales rebates	-	-	241,023	-	-	799,438	1,040,461	1,281,159
Sponsorships	15,500	-	-	-	-	-	15,500	-
Total operating revenues	628,755	12,006,954	2,132,230	4,433,894	2,368,072	2,397,205	23,967,110	23,176,749
Operating expenses:								
Administrative/operating	20,561	234,687	1,176	7,783	-	-	264,207	243,404
Salaries and benefits	515,728	510,644	12,060	33,682	-	-	1,072,114	970,143
Professional service fees	87,506	75,000	3,159	11,152	-	-	176,817	122,395
Depreciation and amortization	103,307	709,378	2,671	156,629	-	561	972,546	928,566
Project contractual services	-	10,490,066	1,891,207	4,276,191	2,368,061	1,578,318	20,603,843	19,704,209
Material sales rebate	-	-	201,082	-	-	799,433	1,000,515	1,114,172
Total operating expenses	727,102	12,019,775	2,111,355	4,485,437	2,368,061	2,378,312	24,090,042	23,082,889
Operating income (loss)	(98,347)	(12,821)	20,875	(51,543)	11	18,893	(122,932)	93,860
Non-capital subsidies:								
Interfund transfers	100,207	-	(100,207)	-	-	-	-	-
Total non-capital subsidies	100,207	-	(100,207)	-	-	-	-	-
Operating Income (Loss) non-capital subsidies	1,860	(12,821)	(79,332)	(51,543)	11	18,893	(122,932)	93,860
Other Non-operating revenues (expenses):								
Capital grant and subsidies	-	-	1,000	-	-	-	1,000	-
Interest income	15,206	9,409	1,442	4,205	-	-	30,262	17,549
Interest expense and fiscal charges	(12,763)	(11,011)	(375)	(19,662)	-	-	(43,811)	(62,812)
Total other non-operating revenues (expenses)	2,443	(1,602)	2,067	(15,457)	-	-	(12,549)	(45,263)
Change in Net Position	4,303	(14,423)	(77,265)	(67,000)	11	18,893	(135,481)	48,597
Net position (deficit) - beginning of year	(4,303)	1,741,357	$ 331,516	$ 10,081	$ (20,680)	$ 19,672	$ 2,077,643	$ 2,029,046
Net position (deficit) - end of year	$ -	$ 1,726,934	$ 254,251	$ (56,919)	$ (20,669)	$ 38,565	$ 1,942,162	$ 2,077,643

The notes are an integral part of the financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2026
With Comparative Totals for the Year Ended June 30, 2025

	General Operating Fund	*Residential Recycling*	*Drop-Off Recycling*	*Municipal Solid Waste*	*Waste Transfer & Disposal*	*Special Wastes*	*2026*	*2025*
Cash Flows From Operating Activities								
Receipts from local governments	$ 597,485	$ 11,810,197	$ 1,711,123	$ 4,404,368	$ 2,347,228	$ 1,472,902	$ 22,343,303	$ 22,786,981
Checks paid exceeding cash	-	-	-	271,134	-	(1,974)	269,160	152,236
Payments to contractors	-	(10,389,073)	(1,848,492)	(4,247,269)	(2,339,561)	(1,437,887)	(20,262,282)	(19,571,931)
Payments to suppliers	(114,812)	(306,765)	(4,488)	(19,478)	-	(25,566)	(471,109)	(570,668)
Payments to employees	(496,638)	(486,152)	(11,683)	(32,919)	-	-	(1,027,392)	(978,212)
Net cash provided by (used in) operating activiites	(13,965)	628,207	(153,540)	375,836	7,667	7,475	851,680	1,818,406
Cash Flows From Noncapital Financing Activities:								
Interfund Transfers	100,207	-	(100,207)	-	-	-	-	-
Grants, sponsorships, and miscellaneous	(2,000)	-	-	-	-	-	(2,000)	-
Net cash provided by (used in) noncapital financing activi	98,207	-	(100,207)	-	-	-	(2,000)	-
Cash Flows From Capital and Related Financing Activities:								
Capital grants	-	-	1,000	-	-	-	1,000	-
Principal payments on loan	-	(590,272)	-	-	-	-	(590,272)	(590,273)
Principal payments on leases	(43,350)	(37,400)	(1,276)	(289,981)	-	-	(372,007)	(440,213)
Interest payments on leases	(12,763)	(11,011)	(375)	(19,662)	-	-	(43,811)	(62,812)
Acquisitions of capital assets	(6,868)	(246,780)	-	(70,398)	-	(7,475)	(331,521)	(260,909)
Net cash used in capital financing activities	(62,981)	(885,463)	(651)	(380,041)	-	(7,475)	(1,336,611)	(1,354,207)
Cash Flows From Investing Activities:								
Interest received	15,206	9,409	1,442	4,205	-	-	30,262	17,549
Net Increase (decrease) in cash and cash equivalents	36,467	(247,847)	(252,956)	-	7,667	-	(456,669)	481,748
Cash and cash equivalents at beginning of year	164,194	1,597,536	448,003	-	310,105	-	2,519,838	2,038,090
Cash and cash equivalents at end of year	$ 200,661	$ 1,349,689	$ 195,047	$ -	$ 317,772	$ -	$ 2,063,169	$ 2,519,838

	General Operating Fund	*Residential Recycling*	*Drop-Off Recycling*	*Municipal Solid Waste*	*Waste Transfer & Disposal*	*Special Wastes*	*2026*	*2025*
Net operating income (loss)	$ (98,347)	$ (12,821)	$ 20,875	$ (51,543)	$ 11	$ 18,893	$ (122,932)	$ 93,860
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:								
Depreciation and amortization	103,307	709,378	2,671	156,629	-	561	972,546	928,566
Pension expense net of employer contributions	8,367	9,481	187	557	-	-	18,592	(5,905)
OPEB expense net of employer contributions	(72)	(1,550)	(8)	(50)	-	-	(1,680)	(1,047)
(Increase)/decrease in Assets:								
Accounts receivable	(34,427)	(243,862)	(180,084)	(36,175)	(20,844)	(124,865)	(640,257)	806,206
Prepaid expenses	(2,406)	2,922	(153)	(543)	-	-	(180)	(24,940)
Increase/(decrease) in Liabilities:								
Accounts payable	(4,339)	100,993	2,774	300,056	20,172	138,452	558,108	(59,506)
Unearned revenue	3,157	47,105	-	6,649	8,328	-	65,239	62,289
Other accrued liabilities	10,795	16,561	198	256	-	(25,566)	2,244	18,883
Net cash provided by (used in) operating activities	$ (13,965)	$ 628,207	$ (153,540)	$ 375,836	$ 7,667	$ 7,475	$ 851,680	$ 1,818,406
Noncash capital and financing activities:								
Assets obtained through leases	20,352	4,687	219	64,516	-	-	89,774	7,876

The notes are an integral part of the financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

B. Basis of Presentation – The Authority administers six enterprise funds: the General Operating Fund, the Residential Recycling, the Drop-Off Recycling, the Municipal Solid Waste, the Waste Transfer and Disposal, and Special Wastes Fund are considered major funds.

C. Basis of Accounting - The accounting records for the Authority are maintained on the accrual basis with revenue recorded when earned and expenses recorded when incurred. The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB) for enterprise funds of governmental units.

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

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

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

G. Capital Assets - Capital assets are stated at historical cost. The capitalization threshold for capital assets is $2,000. Expenses for repairs and upgrading which materially add to the value or life of an asset are capitalized. Other maintenance and repair costs are charged to expenses as incurred.

Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. In leases where a purchase option is reasonably certain of being exercised the asset is amortized over the useful life, unless the asset is non-depreciable, in which the asset is not amortized.

G. Capital Assets (Continued)

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

Furniture and office equipment	5-7 years
Computer equipment	2-3 years
Vehicles	7 years
Leasehold improvements	6 years
Trash and recycling carts	10 years

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

The Authority accrues for the full amount of employee's unused vacation leave and uses a five-year look back period to estimate the amount of sick leave that has been earned and will be used over the employee's employment. The liability for sick leave is based on this estimate. The sick leave policies of the Authority provide for the unlimited accumulation of sick leave.

I. Pensions and Other Postemployment Benefits (OPEB) – For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of the Authority's Plans and the additions to/deduction from the Authority's Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Deferred Inflows and Outflows of Resources - In addition to liabilities, the statements that present financial positions report a separate section for deferred inflows of resources. These items represent an acquisition of net assets that apply to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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

- Differences between expected and actual experience, changes in proportion, and changes of assumptions for economic/demographic factors in the measurement of the total pension and OPEB liability. This difference will be recognized in expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Differences between projected and actual earnings on pension or OPEB plan investments. This difference will be recognized in pension or OPEB expense over a closed five-year period and may be reported as a deferred inflow or outflow as appropriate.
- Contributions subsequent to the measurement date for pensions and OPEB; this will be applied to the net pension liability and the net OPEB liability in the next fiscal year.
- Changes in proportionate share that will be recognized in the pension or OPEB expense over the average expected remaining service lives of all employees provided with benefits. This may be reported as a deferred outflow or a deferred inflow as appropriate.
- Changes in assumptions that will be recognized in OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.

K. Net Position - Net position comprises the various net earnings from operating and non-operating revenues, expenses and capital and noncapital subsidies. Net position is classified in the following three components: net investment in capital assets, restricted and unrestricted net position. Net investment in

K. Net Position (Continued)

capital assets consists of all capital assets, net of accumulated depreciation, reduced by any outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Restricted net position consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net positions not included in the above categories. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

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

M. Revenue Classification - The statements distinguish *operating* revenues and expenses from *noncapital subsidies*, and other *nonoperating* revenues and expenses. Nonoperating revenues and expenses are any (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

N. Unearned Revenues - In connection with certain contracts, the Authority bills for services and receives cash in advance. These amounts are recorded as unearned revenue until earned by the Authority. The Authority's unearned revenue amounted to $2,297,509 and $2,275,858 as of June 30, 2026 and 2025, respectively. The Authority collects all unearned revenue from member localities in the following fiscal year; therefore, they are also included in accounts receivable as of June 30, 2026. The Authority also has unearned revenues of $50,088 relating to cart programs.

O. Summarized Comparative Information for 2025 – The financial information for the year ended June 30, 2025, presented for comparative purposes, is not intended to be a complete financial statement presentation because only the total of all funds has been reflected.

P. Reclassification of Prior Year Amounts – Certain amounts presented in the prior year financial statements have been reclassified to conform to the current year presentation.

Q. Subsequent Events – The Authority has evaluated all subsequent events through October 14, 2026,the date the financial statements were available to be issued.

II. 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 and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool.

II. DEPOSITS AND INVESTMENTS (Continued)

The Authority uses pooled cash and investment accounts to manage operating liquidity across its funds. Pooled cash and investment activity is accounted for through an internal pooled cash arrangement. Each fund's share of the pool is reported as cash and cash equivalents, or as reconciled cash overdraft (liability), based on the nature of the underlying fund-level balance at year-end.

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

Cash and Cash Equivalents	2026
Checking (overdraft)	$ (158,978)
Local Government Investment Pool ("LGIP")	956,672
Money Market	844,079
Total Cash and Cash Equivalents	$ 1,641,773

At year-end, the Authority's pooled checking account reflected outstanding checks and other reconciling items resulting in a negative cash balance.

Fund-Level Pooled Cash Overdraft

When an individual fund's share of cash is overdrawn, but the Authority's pooled cash and investments retain sufficient deposits in total, the overdrawn funds report a liability on the Statement of Net Position.
At year-end, fund-level cash was reported as follows:

Fund	2026
General Operating Fund	$ 200,661
Residential Recycling	1,349,689
Drop-Off Recycling	195,047
Waste Transfer & Disposal	317,772
Cash and Cash Equivalents	$ 2,063,169
Municipal Solid Waste	(405,783)
Special Wastes	(15,613)
Reconciled overdraft	(421,396)
Total pooled cash and equivalent	$ 1,641,773

Interest Rate Risk. Investment maturity is managed to precede or coincide with expected need of funds to help limit exposure to fair value losses arising from rising interest rates. As of June 30, 2026, the Authority's investments were in a Money Market Checking account and the State LGIP fund.

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

Credit Risk. Policy, consistent with state statute, requires commercial paper, including banker's acceptances, to have a short-term debt rating of no less than "P-1" from Moody's Investors Service, and "A-1" from Standard & Poor's (S&P). Corporate notes and bonds must have a rating of at least "AA" by S&P or "Aa" by Moody's. The Authority has no commercial paper instruments as of June 30, 2026.

III. DEPOSITS AND INVESTMENTS (Continued)

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 limitations on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk. At June 30, 2026, the Authority's investment portfolio consisted of the following:

Issuer	Amount	% of Portfolio
Towne Bank Money Market Checking	$ 685,101	41.8%
Local Government Investment Pool (LGIP)	956,672	58.2%
Total	$ 1,641,773	100.0%

III. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance July 1, 2025	Additions	Disposals	Reclassification	Balance June 30, 2026
Capital assets being depreciated:					
Office equipment and furniture	$ 54,095	$ 6,706	-	-	$ 60,801
Computer equipment	119,371	16,557	-	-	135,928
Vehicles	46,706	-	-	-	46,706
Trash and recycling carts	6,087,201	308,258	-	625,627	7,021,086
Leasehold improvements	176,347	-	-	-	176,347
Lease assets:				-	
Office building	1,217,958	-	(465,672)	-	752,286
Office equipment	17,296	10,899	(9,420)	-	18,775
Vehicle	15,144	14,795	(15,144)	-	14,795
Trash and recycling carts	1,200,478	64,080	-	(625,627)	638,931
Total capital assets being depreciated	8,934,596	421,295	(490,236)	-	8,865,655
Less accumulated depreciation for:					
Office equipment and furniture	10,327	8,135	-	-	18,462
Computer equipment	92,141	15,722	-	-	107,863
Vehicles	48,706	-	(2,000)	-	46,706
Trash and recycling carts	1,183,473	669,958	-	195,675	2,049,106
Leasehold improvements	25,719	18,258	-	-	43,977
Lease assets:					
Office building	478,613	161,199	(465,672)	-	174,140
Office equipment	9,057	3,507	(9,420)	-	3,144
Vehicle	13,596	4,662	(15,144)	-	3,114
Trash and recycling carts	232,358	91,105	-	(195,675)	127,788
Total accumulated depreciation	2,093,990	972,546	(492,236)	-	2,574,300
Total capital assets, net	$ 6,840,606	$ (551,251)	$ 2,000	$ -	$ 6,291,355

The Authority's execution of a purchase option for carts is reflected as a reclassification to capital assets to reflect the ownership of the assets.

IV. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Amounts Due Within One Year
Cart loan	$ 3,098,929	$ -	$ (590,272)	$2,508,657	$ 590,272
Leases:					
Office building	867,280	-	(76,579)	790,701	32,490
Office equipment	8,698	10,899	(3,906)	15,691	3,543
Vehicle	1,623	14,795	(4,515)	11,903	4,426
Trash and recycling carts	499,312	64,080	(287,007)	276,385	204,868
Total Leases	1,376,913	89,774	(372,007)	1,094,680	245,327
Compensated absences*	90,554	17,699	-	$ 108,253	108,253
Total long-term liabilities	$ 4,566,396	$ 107,473	$ (962,279)	$3,711,590	$ 943,852

* The change in compensated absences above is a net change for the year.

On July 21, 2023, the Authority entered into a loan agreement with Closed Loop Partners for the purchase of recycling carts used in the Residential Recycling Program. The total loan of $4,279,474 has a 0% interest rate and requires monthly payments of $49,189 until September 30, 2030.

The Authority, as a lessee, has entered into lease agreements involving the Authority's office space, copier, postage meter, vehicle and trash carts. The total costs of the Authority's lease assets are recorded as $1,424,787, less accumulated amortization of $308,186 at June 30, 2026. The Authority uses its estimated incremental borrowing rate as the discount rate unless an interest rate is explicitly stated in the lease. The interest rates for borrowing is in the range from 0% to 5%.

The loan and lease debt service requirements are as follows:

Fiscal Year	Loan		Leases	
Ending June 30,	Principal	Interest	Principal	Interest
2027	$ 590,272	$ -	$ 245,327	$ 49,970
2028	590,272	-	179,627	36,975
2029	590,272	-	115,731	30,844
2030	590,272	-	121,693	24,954
2031	147,569	-	130,992	18,666
2032 - 2033	-	-	301,310	15,366
	$2,508,657	$ -	$1,094,680	$ 176,776

V. DEFINED BENEFIT PENSION PLAN

Plan Description

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

V. DEFINED BENEFIT PENSION PLAN (Continued)

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

- https://www.varetire.org/retirement-plans/defined-benefit/plan1/
- https://www.varetire.org/retirement-plans/defined-benefit/plan2/
- https://www.varetire.org/retirement-plans/hybrid/

Employees Covered by Benefit Terms

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	8
Inactive members	
Vested inactive members	6
Non-vested inactive members	4
LTD	-
Inactive members active elsewhere in VRS	6
Total inactive members	16
Active members	11
Total covered employees	35

Contributions

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

The Political Subdivision's contractually required contribution rate for the year ended June 30, 2026, was 6.08% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Political Subdivision were $44,095 and $43,146 for the years ended June 30, 2026 and June 30, 2025, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $2,395 for the year ended June 30, 2026.

Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll, which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $2,723 for the year ended June 30, 2026. The total Hybrid plan participant covered payroll totaled $239,566 for the year ended June 30, 2026.

Net Pension Liability

The net pension liability 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 Political Subdivisions, the net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2024 rolled forward to the measurement date of June 30, 2025.

III. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2024, 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, 2025.

Inflation	2.50%
General Employees – Salary Increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45 to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2021 Improvement Scale with various setbacks or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2024 valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Metro – Non-Hazardous Duty: maintained mortality table with adjustments; moved retirement and termination rates to the way of the observed experience; moved disability rates to the way of the the observed experience to maintain margin; increased Merit & Longevity on the salary scale; and no change to discount rate.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	32.00 %	6.60 %	2.11 %
Fixed Income	16.00	5.09	0.81
Credit Strategies	16.00	8.21	1.31
Real Assets	15.00	7.10	1.07
Private Equity	15.00	8.60	1.29
PIP- Private Investment Partnership	1.00	7.95	0.08
Diversifying Strategies	6.00	6.82	0.41
Cash	2.00	4.07	0.08
Leverage	(3.00)	4.57	(0.14)
Total	100.00%		7.02%

V. DEFINED BENEFIT PENSION PLAN (Continued)

The above allocation provides for a one-year return of 7.02%. (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.06%, including expected inflation of 2.5%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is 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%.

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. For the year ended June 30, 2025, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2024 actuarial valuations. From July 1, 2025, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net (b)	Net Pension Liability (a) – (b)
Balances at June 30,2024	$ 2,911,893	$ 2,804,656	$ 107,237
Changes for the year:			
Service cost	61,518	-	61,518
Interest	197,795	-	197,795
Change in Benefit Terms	-	-	-
Change in Assumptions	39,234	-	39,234
Difference Between Expected and Actual	60,939		60,939
Contributions – employer	-	43,380	(43,380)
Contributions – employee	-	33,537	(33,537)
Net investment income	-	298,242	(298,242)
Benefit payments, including refunds of employee contributions	(86,228)	(86,228)	-
Pension Plan Administrative Expense	-	(1,677)	1,677
Other changes	-	77	(77)
Net changes	273,258	287,331	(14,073)
Balances at June 30, 2025	$ 3,185,151	$ 3,091,987	$ 93,164

V. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Authority's Net Pension Liability	$ 539,647	$ 93,164	$ (278,886)

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

For the year ended June 30, 2026, the Authority recognized pension expense of $62,921. At June 30, 2026, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,023	$ -
Changes of assumptions	22,395	-
Net difference between projected and actual earnings on pension plan investments	-	98,079
Employer contributions subsequent to the measurement date	44,095	-
Total	$ 112,513	$ 98,079

The $44,095 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision's contributions subsequent to the measurement date and will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Effect on Pension Expense
2027	$51,416
2028	(21,978)
2029	(37,239)
2030	(21,860)
2031	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2025 *Annual Comprehensive Financial Report (ACFR)*. A copy of the 2025 VRS ACFR may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Payables to the Pension Plan

At June 30, 2026, approximately $8,423 was payable to the Virginia Retirement System for the legally required contributions related to June 2026 payroll.

VI. OTHER POST-EMPLOYMENT BENEFITS LIABILITY – Local Plan

Healthcare Benefits

A. Plan description

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

B. Funding Policy

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

C. Funded Status and Funding Progress

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

Benefits Provided

Key advantage plans are available for active participants and retirees not eligible for Medicare. Anthem Blue Cross and Blue Shield is provider and offers medical, prescription drugs, behavioral health and EAP and routine vision. Delta Dental of Virginia provides dental care.

The Authority has less than 15 eligible employees and may offer a single plan.

Employees Covered by Benefit Terms

As of the July 1, 2025 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	Number
Inactive employees or beneficiaries	
Currently receiving benefits	-
Entitled to but not yet receiving benefits	-
Total inactive employees	-
Active plan members	10
	10

Total OPEB Liability

The Authority's total OPEB Liability of $40,968 was measured as of June 30, 2026, and was determined based on an actuarial valuation performed as of July 1, 2025.

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

Actuarial Assumptions and other inputs

The total OPEB liability was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases, including inflation:	3.50% to 5.85%
Healthcare cost trend rates	6.30% for 2025, decreasing to an ultimate rate of 3.90%

Mortality rates are based on Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally. Base rates are projected generationally with a Modified MP-2021 Improvement Scale that is 75% of the MP-2021 rates.

The actuarial assumptions used in the July 1, 2025 valuation were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. There have been no significant changes in benefit terms.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2025	$ 36,637
Changes for the year:	
Service cost	1,084
Interest	1,954
Effect of plan changes	-
Effect of economic/demographic gains or losses	(6,599)
Differences between expected and actual experience	8,164
Benefit payments	(272)
Net Changes	4,331
Balance at 6/30/2026	$ 40,968

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (3.67%) or one percentage point higher (5.67%) than the current discount rate.

	1% Decrease (3.67%)	Current Discount Rate (4.67%)	1.0% Increase (5.67%)
Total OPEB Liability	$ 43,345	$ 40,968	$ 38,667

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

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare trend rates that are one percentage point lower (5.30%) or one percentage point higher (7.30%) than the current discount rate.

	1.00% Decrease (5.30%)	Current Healthcare Cost Trend Rate (6.30%)	1.00% Increase (7.30%)
Total OPEB Liability	$ 37,553	$ 40,968	$ 44,773

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

For the year ended June 30, 2026, the Authority recognized OPEB expense of $3,489. At June 30, 2026, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 5,354	$ 4,447
Change in assumptions	4,005	6,905
	$ 9,359	$ 11,352

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

Year Ending June 30,	Increase (Reduction) To OPEB Expense
2027	$ 770
2028	475
2029	347
2030	311
2031	90
Thereafter	0

The plan is not administered through a trust, thus, a portion of the total OPEB liability is reported in the financial statements as current, representing the full amount of benefit payments expected to be paid within one year. A reconciliation of the total plan liabilities is reported below.

Current portion	$ 272
Noncurrent portion	66,042
Total OPEB Liability	$ 66,314

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

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

Plan Descriptions

Group Life Insurance Program

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

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

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

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This plan is considered a multiple- employer, cost-sharing plans.

General Employee Health Insurance Credit Program

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

As of June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	3
Vested inactive members	1
Active members	17
Total covered employees	21

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability, with the exception of GLI which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB programs are as follows:

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

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2026 Contribution	$3,409
June 30, 2025 Contribution	$3,335

General Employee Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	.05% of covered employee compensation.
June 30, 2026 Contribution	$ 363
June 30, 2025 Contribution	$ 355

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

The net OPEB liabilities were measured as of June 30, 2025 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed June 30, 2024 and rolled forward to the measurement date of June 30, 2025. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2025 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2026 proportionate share of liability	$24,921
June 30, 2025 proportion	.00259%
June 30, 2024 proportion	.00290%
June 30, 2026 expense (revenue)	$ (569)

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

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

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2024	$ 16,996	$ 16,918	$ 78
Changes for the year:			
Service cost	261	-	261
Interest	1,143	-	1,143
Change in Assumptions	546	-	546
Difference between expected and actual experience	477	-	477
Contributions – Employer	-	358	(358)
Net Investment Income	-	1,747	(1,747)
Benefit payments	(651)	(651)	-
Administrative expenses	-	(25)	25
Net changes	1,776	1,429	347
Balances at June 30, 2025	$ 18,772	$ 18,347	$ 425

In addition to the year ended June 30, 2026, the Authority recognized OPEB revenue of ($524) related to the General Employee Health Insurance Credit Program.

At June 30, 2026, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Group Life Insurance Program	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,421	$ 469
Change in assumptions	-	815
Net difference between projected and actual earnings on OPEB plan investments	-	3,487
Changes in proportion	2,435	3,903
Employer contributions subsequent to the measurement date	3,409	-
Total	$ 10,265	$ 8,674

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

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 352	$ 1,865
Change in assumptions	2,409	16
Net difference between projected and actual earnings on OPEB plan investments	-	522
Employer contributions subsequent to the measurement date	363	-
Total	$ 3,124	$ 2,403

The deferred outflows of resources related to OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program

Year Ending June 30,	Effect on OPEB Expense
2027	$ (285)
2028	(865)
2029	(227)
2030	(113)
2031	(328)
Thereafter	-

General Employee Health Insurance Credit Program

Year Ending June 30,	Effect on OPEB Expense
2027	$ (204)
2028	312
2029	374
2030	(124)
2031	-
Thereafter	-

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2024, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025:

Inflation	2.50%
Salary increases, including inflation:	
• Locality- general employees	3.50 – 5.35%
Healthcare cost trend rates:	
• Under age 65	4.25 – 7.25%
• Ages 65 and older	4.25 – 6.50%
Investment rate of return, net of expenses, including inflation	6.75%

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

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

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 75, less the associated fiduciary net position. As of the measurement date of June 30, 2025, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB Liability	$ 4,433,282
Plan fiduciary net position	3,471,094
Employers' net OPEB liability (asset)	962,188
Plan fiduciary net position as a percentage of total OPEB liability	78.30%

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

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return is the same as those used by VRS pension plans. The long-term expected rate of return is detailed in Note V.

Discount Rate

The discount rate used to measure the GLI and HIC, OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made in accordance with the VRS funding policy at rates equal to actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2025, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate for all OPEB plans. From July 1, 2025 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI net OPEB liability	$ 42,040	$ 24,921	$ 11,109
General Employee HIC net OPEB liability	$ 2,635	$ 425	$ (1,448)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2025 *Annual Report*. A copy of the 2025 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/publications/?category=annual, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Payable to the OPEB Plan

At June 30, 2026, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2026 payroll.

Group Life Insurance	$ 835
General Employee Health Insurance Credit	35

VIII. SUMMARY OF OTHER POSTEMPLOYMENT BENEFITS ELEMENTS

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

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Local Plan	$ 11,352	$ 9,359
Group Life Insurance	10,265	8,674
Health Insurance Credit	3,124	2,403
Total	$ 24,741	$ 20,436

	Net OPEB Liability	OPEB Revenue
Local Plan	$ 40,968	$ 3,489
Group Life Insurance, net	24,921	(569)
Health Insurance Credit, net	425	(524)
Total	$ 66,314	$ 2,396

IX. 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, 2026 as follows:

	2026	
	Due From	Due To
Town of Ashland	$ 31,485	$ -
County of Charles City	3,114	-
County of Chesterfield	323,796	240
City of Colonial Heights	306,932	-
County of Goochland	215,673	10,378
County of Hanover	177,147	53,552
County of Henrico	1,702,508	31,706
City of Hopewell	468,712	-
County of New Kent	29,220	7,002
City of Petersburg	62,315	-
County of Powhatan	224,980	6,815
County of Prince George	58,719	-
City of Richmond	148,546	272
Total	$ 3,753,148	$ 109,965

IX. RELATED PARTIES (Continued)

Total revenues from and expenses to related jurisdictions in the years ended June 30, 2026 are follows:

	2026	
	Revenues	Expenses
Town of Ashland	$ 482,380	$ 57
County of Charles City	3,085	-
County of Chesterfield	1,497,516	9,787
City of Colonial Heights	1,837,972	1,440
County of Goochland	885,266	97,974
County of Hanover	949,517	394,362
County of Henrico	7,742,736	331,331
City of Hopewell	2,604,815	4,466
County of New Kent	779,810	67,515
City of Petersburg	730,598	25
County of Powhatan	892,160	73,786
County of Prince George	71,279	-
City of Richmond	4,360,760	19,773
Total	$ 22,837,894	$ 1,000,516

X. NET POSITION AND INTERFUND TRANSFERS

The following funds have deficit net position balances as of June 30, 2026 and 2025:

	2026
Municipal Solid Waste	56,919
Waste Transfer & Disposal	20,669

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

XI. NEW ACCOUNTING STANDARDS

During fiscal year 2026, the Commission adopted GASB Statement No. 103, *Financial Reporting Model Improvements.* This new standard redefined operating and nonoperating revenues and expenses, definitions of which are included below. As a result, certain prior year amounts have been reclassified with the current year presentation.

The statements distinguish *operating* revenues and expenses from *noncapital subsidies*, and other *nonoperating* revenues and expenses. Nonoperating revenues and expenses are any (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. All revenues and expenses not meeting the definitions of non-operating revenues and expenses are reported as operating revenues and expenses.

In December 2025, the GASB issued **Statement No. 105**, Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing the consistency in their application and better meeting the information needs of financial statement users. This statement also clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2026

	Plan Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 61,518	$ 57,421	$ 55,187	$ 55,772	$ 53,510	$ 53,698	$ 53,506	$ 52,754	$ 55,609	$ 48,783
Interest on total pension liability	197,795	177,314	170,799	164,034	148,537	130,455	122,504	113,607	106,240	101,997
Difference between expected and actual experience	60,939	151,714	(47,376)	(24,176)	(34,505)	152,541	(2,962)	15,776	4,481	(30,702)
Changes of assumptions	39,234	-	-	-	101,018	-	65,856	-	(2,066)	-
Benefit payments, including refunds of member contributions	(86,228)	(88,031)	(80,599)	(109,042)	(80,477)	(57,127)	(55,474)	(54,604)	(63,421)	(55,516)
Net change in total pension liability	273,258	298,418	98,011	86,588	188,083	279,567	183,430	127,533	100,843	64,562
Total pension liability - beginning	2,911,893	2,613,475	2,515,464	2,428,876	2,240,793	1,961,226	1,777,796	1,650,263	1,549,420	1,484,858
Total pension liability - ending	3,185,151	2,911,893	2,613,475	2,515,464	2,428,876	2,240,793	1,961,226	1,777,796	1,650,263	1,549,420
Plan Fiduciary Net Position										
Contributions - employer	43,380	56,973	47,896	42,468	42,982	28,465	29,346	23,938	23,346	41,760
Contributions - employee	33,537	34,480	29,104	27,203	27,534	26,919	26,440	25,564	25,301	25,934
Net investment income	298,242	249,328	156,581	(3,036)	531,060	36,045	119,333	122,988	181,635	26,226
Benefit payments, including refunds of member contributions	(86,228)	(88,031)	(80,599)	(109,042)	(80,477)	(57,127)	(55,474)	(54,604)	(63,421)	(55,516)
Administrative expenses	(1,677)	(1,560)	(1,529)	(1,515)	(1,298)	(1,214)	(1,151)	(1,046)	(1,042)	(889)
Other changes	77	55	64	55	50	(43)	(76)	(220)	(285)	(11)
Net change in plan fiduciary net position	287,331	251,245	151,517	(43,867)	519,851	33,045	118,418	116,620	165,534	37,504
Plan fiduciary net position - beginning	2,804,656	2,553,411	2,401,894	2,445,761	1,925,910	1,892,865	1,774,447	1,657,827	1,492,293	1,454,789
Plan fiduciary net position - ending	3,091,987	2,804,656	2,553,411	2,401,894	2,445,761	1,925,910	1,892,865	1,774,447	1,657,827	1,492,293
Net pension liability (asset) - ending	$ 93,164	$ 107,237	$ 60,064	$ 113,570	$ (16,885)	$ 314,883	$ 68,361	$ 3,349	$ (7,564)	$ 57,127
Plan fiduciary net position as a percentage of total pension liability	97%	96%	98%	95%	101%	86%	97%	100%	100%	96%
Covered payroll	$ 717,444	$ 746,886	$ 626,805	$ 576,813	$ 578,479	$ 566,070	$ 568,845	$ 539,218	$ 526,157	$ 512,903
Net pension liability (asset) as a percentage of covered payroll	13%	14%	10%	20%	-3%	56%	12%	1%	-1%	11%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2016 information was presented in the entity's fiscal year 2017 financial report.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2026

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2026	$ 44,095	$ 44,095	$ -	$ 725,247	6.08%
2025	43,146	43,146	-	717,444	6.01%
2024	61,394	61,394	-	746,886	8.22%
2023	49,885	49,885	-	626,805	7.96%
2022	45,244	45,244	-	576,813	7.84%
2021	47,004	47,004	-	578,479	8.12%
2020	32,266	32,266	-	566,070	5.70%
2019	31,743	31,743	-	568,845	5.70%
2018	25,176	25,176	-	539,218	4.96%
2017	26,141	26,141	-	526,157	4.96%
2016	44,571	44,571	-	512,903	8.69%

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OPEB LIABILITIES AND RELATED RATIOS
OR THE YEAR ENDED JUNE 30, 2026

	Plan Year									
	2026	2025	2025	2024	2024	2023	2023	2022	2022	
	Local Plan	VRS Health Insurance Credit General Employees	Local Plan	VRS Health Insurance Credit General Employees	Local Plan	VRS Health Insurance Credit General Employees	Local Plan	VRS Health Insurance Credit General Employees	Local Plan	
Total OPEB Liability										
Service Cost	$ 1,084	$ 261	$ 1,726	$ 246	$ 2,136	$ 254	$ 1,131	$ 682	$ 1,351	
Interest on total OPEB liability	1,954	1,143	1,473	1,175	1,172	1,279	993	969	544	
Economic/demographic gains or losses	(6,599)	477	-	(1,267)	7,494	(2,415)	-	(1,002)	2,543	
Changes of assumptions and other inputs	8,164	546	(2,082)	-	(4,692)	-	1,141	5,036	(1,233)	
Benefit payments	(272)	(651)	(489)	(651)	(160)	(651)	(230)	(651)	(66)	
Net change in total OPEB liability	4,331	1,776	628	(497)	5,950	(1,533)	3,035	5,034	3,139	
Total OPEB liability - beginning	36,637	16,996	36,009	17,493	30,059	19,026	27,024	13,992	23,885	
Total OPEB liability - ending	$ 40,968	$ 18,772	$ 36,637	$ 16,996	$ 36,009	$ 17,493	$ 30,059	$ 19,026	$ 27,024	
Plan Fiduciary Net Position										
Contributions - employer	$ -	$ 358	$ -	$ 893	$ -	$ 739	$ -	$ 863	$ -	
Contributions - employee	-	-	-	-	-	-	-	-	-	
Net investment income	-	1,747	-	1,452	-	884	-	12	-	
Benefit payments	-	(651)	-	(651)	-	(651)	-	(651)	-	
Administrative expenses	-	(25)	-	(20)	-	(22)	-	(25)	-	
Other	-	-	-	-	-	1	-	-	-	
Net change in plan fiduciary net position	-	1,429	-	1,674	-	951	-	199	-	
Plan fiduciary net position - beginning	-	16,918	-	15,244	-	14,293	-	14,094	-	
Plan fiduciary net position - ending	-	18,347	-	16,918	-	15,244	-	14,293	-	
Net OPEB Liability (Asset)- ending	$ 40,968	$ 425	$ 36,637	$ 78	$ 36,009	$ 2,249	$ 30,059	$ 4,733	$ 27,024	
Plan fiduciary net position as a percentage of total OPEB liability	0%	92%	0%	100%	0%	87%	0%	75%	0%	
Covered employee payroll	$ 762,140	$ 727,095	$ 727,095	$ 746,886	$ 727,095	$ 626,805	$ 626,805	$ 576,813	$ 589,770	
Net OPEB liability (asset) as a percentage of covered payroll	5.4%	0.1%	5.0%	0.0%	5.0%	0.4%	4.8%	0.8%	4.6%	

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

Assets are not accumulated or administed through a trust.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OPEB LIABILITIES AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2026 (Continued)

	Plan Year								
	2021	2021	2020	2020	2019	2019	2018	2018	2017
	VRS Health Insurance Credit General Employees	Local Plan	VRS Health Insurance Credit General Employees	Local Plan	VRS Health Insurance Credit General Employees	Local Plan	VRS Health Insurance Credit General Employees	Local Plan	VRS Health Insurance Credit General Employees
Total OPEB Liability									
Service Cost	$ 719	$ 1,079	$ 706	$ 1,154	$ 755	1,382	736	1,382	817
Interest on total OPEB liability	896	516	919	986	885	758	818	758	790
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(541)	-	(1,366)	(4,405)	(469)	-	(8)	-	-
Changes of assumptions and other inputs	(51)	66	-	2,187	362	(2,140)	-	(2,140)	(704)
Benefit payments	(609)	(104)	(588)	(23)	(533)	-	(656)	-	(339)
Net change in total OPEB liability	414	1,557	(329)	(101)	1,000	-	890	-	564
Total OPEB liability - beginning	13,578	22,328	13,907	22,429	12,907	22,429	12,017	22,429	11,453
Total OPEB liability - ending	$ 13,992	$ 23,885	$ 13,578	$ 22,328	$ 13,907	$ 22,429	$ 12,907	$ 22,429	$ 12,017
Plan Fiduciary Net Position									
Contributions - employer	$ 872	$ -	$ 1,076	$ -	$ 1,052	$ -	$ 952	$ -	$ 946
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	2,923	-	205	-	613	-	650	-	834
Benefit payments	(609)	-	(588)	-	(533)	-	(656)	-	(339)
Administrative expenses	(35)	-	(21)	-	(14)	-	(15)	-	(14)
Other	-	-	-	-	(1)	-	(88)	-	40
Net change in plan fiduciary net position	3,151	-	672	-	1,117	-	843	-	1,467
Plan fiduciary net position - beginning	10,943	-	10,271	-	9,154	-	8,310	-	6,843
Plan fiduciary net position - ending	14,094	-	10,943	-	10,271	$ -	$ 9,153	$ -	$ 8,310
Net OPEB Liability (Asset)- ending	$ (102)	$ 23,885	$ 2,635	$ 22,328	$ 3,636	$ 22,429	$ 3,754	$ 22,429	$ 3,707
Plan fiduciary net position as a percentage of total OPEB liability	101%	0%	81%	0%	74%	0%	71%	0%	69%
Covered employee payroll	578,479	$ 578,479	566,070	$ 568,848	$ 553,515	$ 553,515	$ 529,094	$ 529,094	$ 525,698
Net OPEB liability (asset) as a percentage of covered	0.0%	4.1%	0.5%	3.9%	0.7%	4.1%	0.7%	4.2%	0.7%

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS – GROUP LIFE
JUNE 30, 2026

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Group Life Insurance - General Employees					
2026	$ 3,409	$ 3,409	$ -	$ 725,247	0.46%
2025	3,335	3,335	-	727,095	0.46%
2024	4,020	4,020	-	746,886	0.53%
2023	3,328	3,328	-	626,805	0.53%
2022	3,115	3,115	-	576,813	0.54%
2021	3,124	3,124	-	578,479	0.54%
2020	2,942	2,942	-	566,070	1.30%
2019	2,870	2,870	-	553,515	1.30%
2018	7,063	7,063	-	529,094	1.34%

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

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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS - HIC
JUNE 30, 2026

Entity Fiscal Year Ended June 30	Contractually Required Employer Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
VRS Health Insurance Credit General Employees					
2026	$ 363	$ 363	$ -	$ 762,140	0.05%
2025	355	355		727,095	0.05%
2024	893	893	-	746,886	0.15%
2023	739	739	-	626,805	0.12%
2022	865	865	-	576,813	0.15%
2021	868	868	-	578,479	0.15%
2020	1,076	1,076	-	566,070	0.19%
2019	1,043	1,043	-	553,515	0.19%
2018	970	970	-	529,094	0.18%

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

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

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY – GROUP LIFE
JUNE 30, 2026

Plan Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Group Life Insurance - General Employees					
2025	0.0025%	$ 24,921	$ 727,095	3.43%	78.30%
2024	0.0029%	32,362	746,886	4.33%	73.41%
2023	0.0026%	31,422	626,805	5.01%	69.30%
2022	0.0027%	31,909	576,813	5.53%	67.21%
2021	0.0028%	32,832	578,479	5.68%	67.45%
2020	0.0028%	45,893	566,070	8.11%	52.64%
2019	0.0028%	46,002	553,515	8.31%	52.00%
2018	0.0028%	43,000	529,094	8.13%	51.22%
2017	0.0029%	43,000	525,698	8.17%	48.86%

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

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2026

Note 1. Changes of Benefit Terms

Pension: There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

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

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2024, valuation were rolled forward to a measurement date of June 30, 2025 and were based on the results of an actuarial experience study for the period from July 1, 2020 through June 30, 2024. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows for all VRS Pension and OPEB plans:

Metro – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Maintain PUB-2010 tables with adjustments, update to MP-2021 projection scale multiplied by 75%
Retirement Rates	Moved ≈25% of the way to the observed experience, on a liability-weighted basis
Termination Rates	Moved ≈25% of the way to the observed experience, on a liability-weighted basis
Disability Rates	Moved ≈50% of the way to the observed experience, on a headcount-weighted basis, to maintain margin
Salary Scale	Increase Merit and Longevity 50 basis points
Discount Rate	No change

Additional changes to actuarial assumptions as a result of the experience study and VRS Board action are as follows for specific VRS OPEB plan are as noted:

Health Insurance Credit – Political Subdivision

Benefit participation (future service retirees)	Increased participation to 87% for Political Subdivisions and reduced participation 94% for Teachers
Benefit participation (future disability)	Increased participation to 54% for Political Subdivisions and reduced participation to 84% for Teachers
Benefit participation (from terminated vested)	Increased participation to 87% for Political Subdivisions and reduced participation 94% for Teachers
Benefit utilization (not receiving the max)	Reduced to 4% for Political Subdivisions and reduced to 13% for Teachers
Benefit utilization (not receiving the max-amount of max received)	No change
Benefit Utilization (benefit increase for those not at the max)	Removed
Percentage of deferred vested members to withdraw from VRS	Reduced
Terminated vested member commencement age	Adjusted slightly

Group Life Insurance

Retiree liability estimation for Life Only	Change from 1.618% to 2.0%

Statistical Section

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

Financial Trends

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

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

Revenue Capacity

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

Residential Recycling and Municipal Solid Waste Rates

Debt Capacity

This schedule contains information related to the Authority's debt.

Outstanding Debt Per Capita and Total Debt Per Capita As A Percentage of Income Per Capita

Economic and Demographic Information

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

Revenue by Locality
Demographic and Economic Statistics
Principal Employers

Operating Information

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

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

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Net Position by Component – Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted for net pension and post-employment assets	Unrestricted	Total
2026	$ 2,688,018	$ -	$ (745,856)	$ 1,942,162
2025	2,364,764	-	(287,121)	2,077,643
2024	2,001,935	-	27,111	2,029,046
2023	219,449	-	1,627,417	1,846,866
2022	40,831	16,987	749,767	537,585
2021	99,918	-	368,058	467,976
2020	36,805	-	654,166	690,971
2019	48,749	-	729,152	777,631
2018	58,286	-	722,481	780,767
2017	69,658	-	683,708	753,367

Changes in Net Position – Last Ten Fiscal Years

Fiscal Year	*Operating Revenues*	*Operating Expenses*	*Operating Income (Loss)*	*Total Non-operating Revenues (Expenses)*	*Change in Net Position*
2026	$ 23,967,110	$ 24,090,042	$ (158,432)	$ 22,951	$ (135,481)
2025	23,176,749	23,082,889	93,860	(45,263)	48,597
2024	23,038,298	22,853,103	185,195	(3,015)	182,180
2023	20,315,638	20,422,573	(106,935)	1,434,748	1,327,813
2022	19,533,950	19,464,772	69,178	431	69,609
2021	18,550,869	18,775,490	(224,624)	1,626	(222,965)
2020	17,915,547	18,041,980	(126,433)	39,773	(86,660)
2019	16,474,821	16,548,024	(73,203)	70,067	(3,136)
2018	15,843,573	15,830,244	13,329	63,001	76,330
2017	15,809,592	15,792,426	17,166	47,282	64,448

Notes:

GASB Statement No. 87 was adopted in fiscal year 2022 and restated for fiscal year 2021. GASB 101 was adopted in Fiscal Year 2025 and restated for fiscal year 2024.

CVWMA purchased approximately 95,000 recycling carts for the residential recycling program in fiscal year 2023, significantly increasing Capital Assets. A grant was received to offset the cost of the carts in the amount of $1,455,230. The entire amount of the grant was recorded in fiscal year 2023, however a portion of the cost of the carts will occur in future years as depreciation.

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

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Operating Revenues by Source – Last Ten Fiscal Years

	Local Gov't Assmts	Recycling(1)	Refuse and Solid Waste(2)	Composting and Yard Waste(3)	Other Projects(4)	Material Sales(5)	Other Operating	Total
2026	$ 613,255	$ 13,898,161	$ 6,801,966	$ 1,013,360	$ 584,407	$ 1,040,461	$15,500	$ 23,967,110
2025	606,580	13,139,912	6,534,366	1,154,543	460,189	1,281,159	-	23,176,749
2024	598,419	12,315,187	7,326,123	1,156,557	333,215	1,308,797	-	23,038,298
2023	594,228	10,391,494	6,357,495	1,076,922	312,343	1,583,156	-	20,315,638
2022	579,188	9,277,896	5,277,307	675,760	315,351	3,408,448	-	18,533,950
2021	575,228	10,449,464	5,292,545	860,806	337,016	1,035,810	-	18,550,869
2020	567,956	10,675,991	5,116,607	649,687	276,468	628,838	-	17,915,547
2019	561,661	9,624,916	4,612,401	490,231	331,592	854,020	-	16,474,821
2018	558,825	8,294,822	4,614,706	478,302	324,940	1,571,978	-	15,843,573
2017	552,522	8,140,823	4,583,544	545,261	260,544	1,726,898	-	15,809,592

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

(1) Recycling programs include residential and drop off recycling services, which include the recycling of traditional materials such as paper, cardboard and aluminum, plastic and glass bottles, and containers and cartons. Effective July 1, 2023, Chesterfield County no longer participates in the regional curbside recycling program. The program consists of about 200,000 households in eight localities and nine participate in drop off recycling. July 1, 2023, a new contract began, and costs increased significantly for the services. In fiscal year 2019, the Authority renegotiated the contract for residential recycling collection with the vendor now servicing 8 of the 9 jurisdictions participating in curbside recycling. This was due to the significant disruption in the global recycling markets for 2/3 of the volume of material. CVWMA negotiated a sliding scale where depending on markets could pay a maximum $30/ton for each ton of material collected on the curb or could pay less or even receive a rebate. FY2019 through FY2022, CVWMA and thus participating localities paid for processing. In fiscal year 2022, recycling markets improved significantly to the point where the Authority received $30-$50/per ton in rebate.

(2) The refuse and solid waste programs include municipal solid waste collection and disposal in Ashland, Colonial Heights, Hopewell, Petersburg and certain residential units in Chesterfield; and transfer and disposal from the convenience centers in Chesterfield, Goochland, New Kent and Powhatan. A new procurement for Waste Transfer and Disposal resulted in significant increases in costs for hauling and disposal in 2024. A new procurement for trash collection in 2022 resulted in increased costs for waste collection and disposal in Ashland, Colonial Heights, Hopewell and Petersburg. The new contract started in July 2022 in the City of Colonial Heights. Ashland transitioned to the new contract in January 2023 and Hopewell in July 2024. Petersburg pulled out of the trash collection program effective July 1, 2024.

(3) The yard waste grinding and leaf composting contracts are on an as needed basis with no minimum volume guaranteed. The increase in activity in fiscal years 2020 and 2021 is a result of Covid-19. In fiscal year 2023, the significant increase is due to a large yard waste grinding project in the City of Richmond. In 2026, CVWMA launched a food waste collection and composting program.

(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, and are provided on an “as needed” basis.

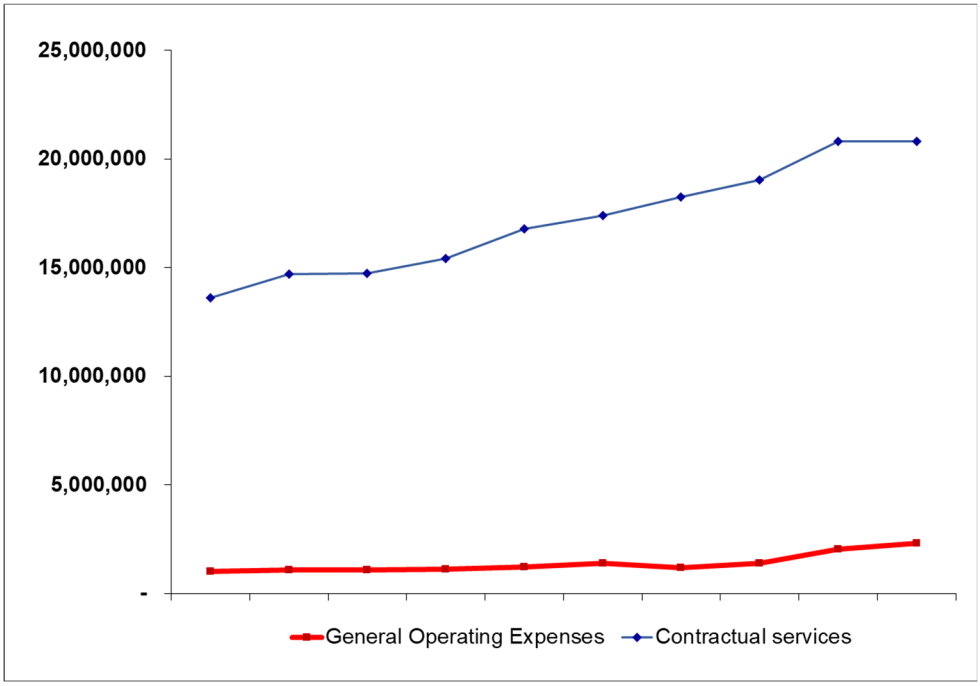
(5) The revenue generated from the sale of recyclables is dependent upon the market at the time of the sale. Markets have fluctuated in the last ten years, typically related to the fluctuation in the economy. Post pandemic, markets increased due to demand for fiber and plastics resulting in higher rebates. Since then, markets have declined somewhat but continue to remain strong.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Operating Expenses – Last Ten Fiscal Years

	Administrative /Operating	*Salaries And Benefits*	*Professional Service Fees*	*Depreciation And Amortization*	*Project Contractual Services*	*Material Sales Rebates*	*Total Operating Expenses*
2026	$ 264,207	1,072,114	$ 176,817	$ 972,546	$20,603,843	$1,000,515	$24,090,042
2025	243,404	970,143	122,395	928,566	19,704,209	1,114,172	23,082,889
2024	231,574	974,651	101,562	745,496	19,607,371	1,192,449	22,853,103
2023	274,512	849,791	106,579	162,635	17,478,262	1,550,793	20,442,573
2022	184,883	836,387	88,004	94,498	14,971,276	3,289,724	19,464,772
2021	181,135	939,550	164,848	92,526	16,401,262	996,169	18,775,490
2020	259,382	855,018	113,395	17,614	16,173,543	623,028	18,041,980
2019	288,088	755,092	71,426	24,647	14,562,931	845,640	16,548,024
2018	270,770	728,456	71,422	21,664	13,201,409	1,598,671	15,830,244
2017	300,345	720,328	61,356	15,961	13,041,006	1,653,430	15,792,426

Notes:



General operating expenses, including salaries, benefits and professional fees have remained relatively constant in relation to program costs over the last ten years. Salaries and benefits were lower than projected in 2026 due to a vacancy in a major position and in 2025 due to vacancies in two major positions. In 2021, retirement costs through the Virginia Retirement System increased significantly. Three years after the collapse of the recycling markets for fiber in 2018, increased domestic capacity for paper and cardboard coupled with the impacts and demand for fiber products as a result of the pandemic resulted in significantly improved recycling markets. The majority of rebates earned from the sale of recyclables is provided back to participating localities. In 2019, the Authority hired a consultant to provide a pay, classification and benefits study for full-time staff positions and the results were fully implemented in March 2019. In 2020, the CVWMA hired a recycling and solid waste management consultant to evaluate the regional residential recycling program and in 2021, hired a consultant to facilitate and draft a strategic plan for the Authority. Administrative and Operating expenses in fiscal year 2023 included about $100,000 in communications related to the recycling cart roll-out at the end of the year. This was mostly offset by the grant revenue also recorded in fiscal year 2023. The Authority is now purchasing recycling and trash carts for use in Authority programs. These carts are being depreciated over 10 years.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Nonoperating Revenues (Expenses) – Last Ten Fiscal Years

Fiscal Year	*Grants and Sponsorships*	*Interest Income*	*Interest Expense*	*Miscellaneous*	*Total Nonoperating Revenues*
2026	$ 1,000	$ 30,262	$ (43,811)	-	$ 12,549
2025	-	17,549	(62,812)	-	(45,263)
2024	-	38,786	(43,661)	$(1,860)	(3,015)
2023	1,455,230		(41,236)	(1,254)	1,434,748
2022	10,000	9,715	(19,284)	-	431
2021	10,000	11,907	(20,281)	-	1,626
2020	10,000	29,773	-	-	39,773
2019	10,000	60,067	-	-	70,067
2018	15,000		-	6	63,001
2017	10,000		-	7,829	47,282

Notes:

The Authority has negotiated with TFC Recycling to contribute $10,000 annually to promote residential recycling through sponsorship of the annual collection schedule. This ended with the new contract effective in 2024. The Authority recorded a grant receivable from The Recycling Partnership in the amount of $1,445,230 in fiscal year 2023 to offset the cost of purchase, assembly, and delivery of 95-gallon recycling carts and communication to 95,000 households in the Counties of Henrico, Hanover and Goochland. In 2018, CVWMA received monies from the National Carton Council in the amount of $5,000 to promote the recycling of cartons. Several sponsors contributed $15,500 toward the CVWMA's 35th Anniversary events in 2026.

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

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

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

In 2026, The Authority implemented GASB No. 103 for Financial Reporting Model Improvements which resulted in reclassifications of some revenues and expenses. Starting in 2026, miscellaneous revenue and expenses are shown in operating revenues or expenses as applicable. Items prior to 2026 were not reclassified in this table.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Residential Recycling and Municipal Solid Waste Rates
Last Ten Fiscal Years

Residential Recycling – Rates per household per month

	Bi-Weekly Collection	*Bi-Weekly Collection w/ cart*	*Public Information*	*Customer Service*
2026	$ 4.48	$ 4.48-5.08	$ .095	$ .135
2025	4.27	4.27-4.87	.090	.130
2024	4.07	4.07-4.67	.085	.125
2023	2.08	2.08-3.27	.077	.084
2022	2.03	2.03-3.19	.075	.082
2021	1.98	1.98-3.11	.068	.072
2020	1.95	1.95-3.16	.067	.071
2019	1.91	1.65-3.00	.066	.070
2018	1.86	1.60-2.93	.065	.069
2017	1.84	1.54-2.93	.064	.068

Notes:

Prior to fiscal year 2024, the curbside recycling program collection rates varied based on the participating jurisdictions level of service desired. The new contract began July 1, 2023, and all participating jurisdictions have the same level of service: bi-weekly collection with a large 96-gallon recycling cart. A fee is charged to participating localities for public education and the CVWMA uses those funds to promote the program regionally. A separate fee is charged for customer service provided by the Authority.

The current municipal solid waste contracts include the Cities of Colonial Heights, Hopewell and Petersburg, the Town of Ashland and the County of Chesterfield. The rates include collection and disposal except in the City of Petersburg where disposal is free based on a host agreement between the city and the privately-owned landfill. The Authority entered into a new contract for trash collection that began in the City of Colonial Heights July 1, 2022 and in the Town of Ashland in January 2023, resulting in increases in collection and disposal rates.

	Municipal Solid Waste Collection per household Per month	*Tipping Fees Range Dollars Per Ton*
2026	$14.34 - $15.35	$32.06 - $46.99
2025	$10.25 - $14.90	$30.83 - $45.62
2024	$9.38 - $15.90	$28.50 - $35.00
2023	$11.32 - $15.29	$20.83 - $23.40
2022	$7.80 - $10.87	$19.91 - $22.37
2021	$7.63 - $10.87	$19.09 - $21.45
2020	$7.46 - $10.87	$18,55 - $20.45
2019	$7.00 - $10.35	$17.85 - $20.07
2018	$7.00 - $10.35	$17.24 - $19.39
2017	$7.00 - $10.35	$17.29 - $19.01

The Authority also has contracts for waste disposal from area convenience centers. The tipping fees (per ton disposal fees) increased in fiscal year 2024 as a result of new contracts for Chesterfield, Goochland, New Kent and Powhatan.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Outstanding Debt Per Capita and Total Debt Per Capita As A Percentage of Income Per Capita

Fiscal Year	*Loan Payable*	*Lease Liabilities*	*Total Outstanding Debt*	*Population Served*	*Outstanding Debt Per Capita*	*Income per Capita*	*Total Debt per Capita As a % of Income per Capita*
2026	$ 2,508,657	$ 1,094,680	$ 3,603,337	1,331,156	2.71	$ 73,231	.36%
2025	3,098,929	1,376,913	4,475,842	1,298,774	3.45	71,794	.48%
2024	3,689,202	1,809,250	5,498,452	1,277,615	4.30	68,034	.63%
2023	-	678,648	678,648	1,263,709	.54	70,369	.08%
2022	-	908,580	908,580	1,246,707	.73	62,632	.12%

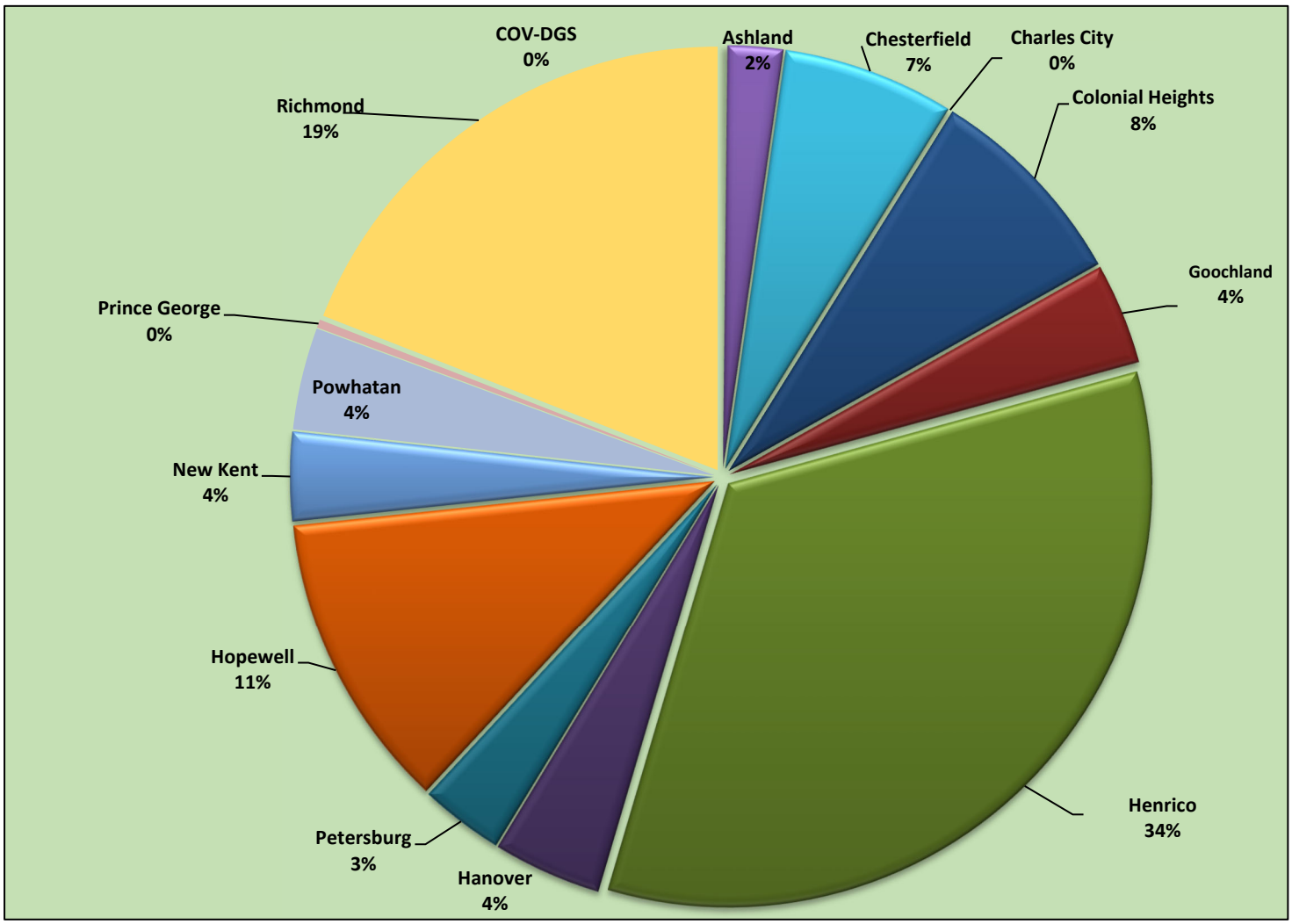
Source of Population and Income Data: Cooper Center for Public Service, University of Virginia, Bureau of Economic Analysis, and Virginia Employment Commission.

In 2024, the Authority obtained a 0% interest loan in the amount of $4,279,474 to finance the purchase of over 90,000 recycling carts for the Residential Recycling Program.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Revenue by Locality – Current Year and Nine Years Ago

Locality	*2026 Operating Revenues*	*2026 Percent of Revenue*	*Locality*	*2017 Operating Revenues*	*2017 Percent of Revenue*
County of Henrico	$ 7,742,734	33.85%	County of Chesterfield	$ 3,736,804	26.88%
City of Richmond	4,360,760	19.06%	County of Henrico	2,743,143	19.73%
City of Hopewell	2,604,816	11.39%	City of Richmond	2,444,936	17.58%
City of Colonial Heights	1,837,971	8.03%	City of Petersburg	1,504,876	10.82%
City of Chesterfield	1,497,516	6.55%	City of Hopewell	1,089,763	7.84%
County of Hanover	949,518	4.15%	City of Colonial Heights	684,908	4.93%
County of Powhatan	892,161	3.90%	County of Goochland	392,633	2.82%
County of Goochland	885,266	3.87%	County of Hanover	430,632	3.10%
County of New Kent	780,087	3.41%	County of New Kent	339,924	2.40%
City of Petersburg	730,599	3.19%	County of Powhatan	307,548	2.21%
Town of Ashland	482,436	2.11%	Town of Ashland	191,436	1.38%
County of Prince George	71,280	0.31%	County of Prince George	27,271	0.20%
Commonwealth VA-DGS	37,977	0.17%	Commonwealth VA - DGS	12,872	0.08%
County of Charles City	3,085	0.01%	County of Charles City	3,479	0.03%
Totals	$22,876,206	100.0%		$ 13,904,225	100.0%



CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

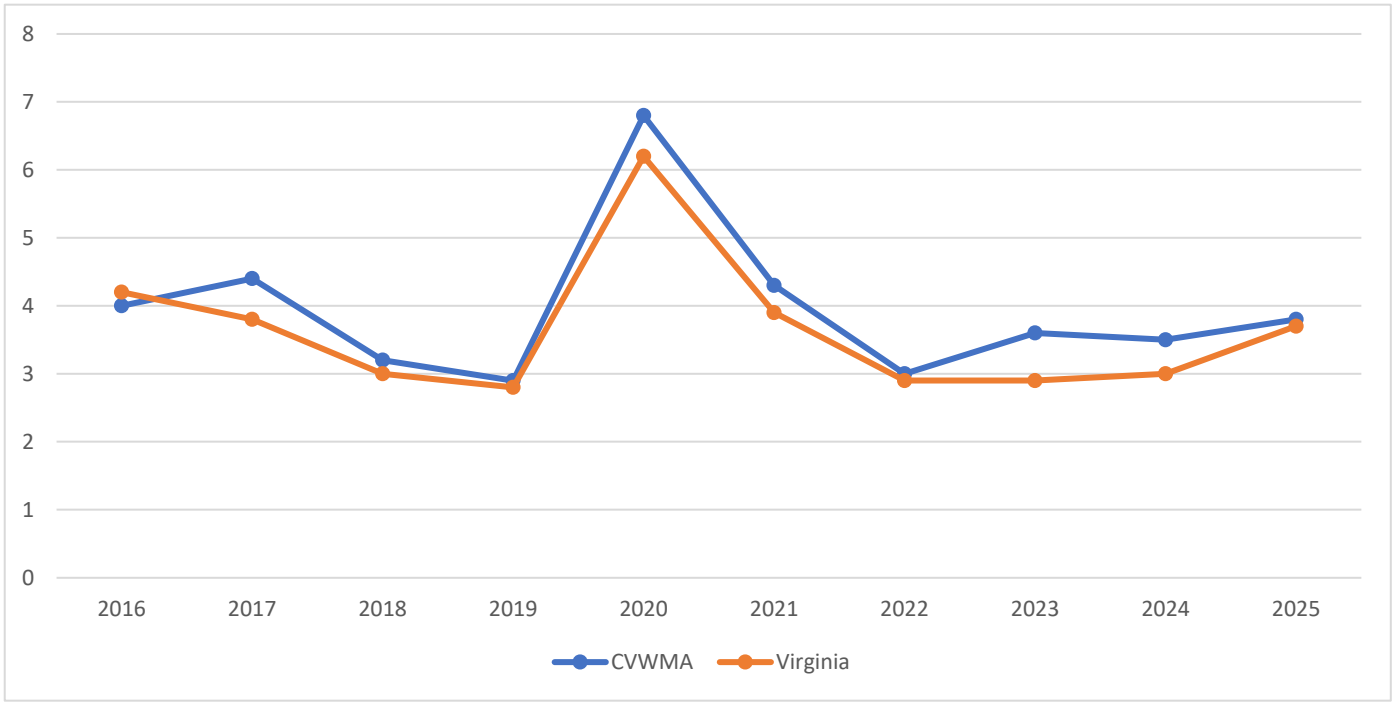
Demographic and Economic Statistics – Last Ten Calendar Years

Calendar Year	Population	Average Income	Unemployment Rate CVWMA	Unemployment Rate Virginia
2025	1,323,174	75,392	3.8%	3.7%
2024	1,298,774	71,794	3.5%	3.0%
2023	1,277,615	68,034	3.6%	2.9%
2022	1,263,709	70,369	3.0%	2.9%
2021	1,246,707	62,632	4.3%	3.9%
2020	1,218,399	64,695	6.8%	6.2%
2019	1,206,641	57,018	2.9%	2.8%
2018	1,199,092	59,010	3.2%	3.0%
2017	1,183,241	57,772	4.4%	3.8%
2016	1,170,128	52,136	4.6%	4.4%

Source of Data: Cooper Center for Public Service, University of Virginia, Bureau of Economic Analysis, and Greater Richmond Partnership.

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 **	*Calendar Year 2025**	*Calendar Year 2016***
	Rank	Rank
US Department of Defense	1	9
MCV Hospitals/VCU Health Systems	2	4
HCA Virginia Health Systems	3	6
Chesterfield County School Board	4	5
Bon Secours Health Systems Inc	5	7
Virginia Commonwealth University	6	1
Henrico School Board	7	3
Amazon (Richmond)	8	10
Walmart	9	8
Capital One Bank	10	2

* Virginia Works Commission - *Economic Information & Analytics* for 2025 data.

** 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. The 2016 data for All employers have over 1,000 individuals employed.

CENTRAL VIRGINIA WASTE MANAGEMENT AUTHORITY

Material Collected – Last Ten Fiscal Years

Fiscal Year	*Tons Recycled**	*Tons of Municipal Solid Waste*	*Cubic Yards of Yard Waste*	*Gallons of Paint Collected*	*Gallons of Used Oil Collected*	*Tons of Batteries Recycled*	*Tons Food Waste*	*Tons of Tires Recycled*	*Tons of Electronics Recycled*	*Tons of Textiles*
2026	36,481	64,126	59,075	5,070	45,386	96.3	71.2	340	120	628
2025	39,104	62,988	170,170	15,620	168,954	61.6	-	280	98	530
2024	39,504	77,102	145,931	15,730	169,112	85.2	-	240	84	471
2023	44,871	78,352	146,692	14,080	161,197	85.0	-	365	71	540
2022	45,883	80,330	106,753	13,805	159,685	89.2	-	367	104	766
2021	51,191	89,076	141,267	17,490	160,996	85.8	-	445	61	707
2020	49,174	84,970	113,883	18,370	160,482	85.9	-	324	155	824
2019	48,059	79,887	105,184	15,985	172,825	75.3	-	893	169	774
2018	48,238	76,512	86,796	14,355	166,390	67.6	-	939	154	786
2017	49,138	71,899	115,284	12,540	179,319	60.3	-	702	229	946

* 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

Residential Recycling

Fiscal Year	Ashland	Chesterfield	Colonial Heights	Goochland	Hanover	Henrico	Hopewell	Petersburg	Richmond	Total
2026	1,988	271	7,057	2,303	4,277	95,098	8,792	12,527	62,389	194,702
2025	1,956	291	7,044	1,987	3,835	94,790	8,765	12,470	62,061	193,199
2024	1,897	327	7,018	1,918	3,847	94,538	8,739	12,414	61,771	192,469
2023	1,877	94,352	6,994	1,954	3,825	85,043	8,786	12,381	61,558	276,770
2022	1,815	94,352	6,934	1,758	3,825	85,043	8,766	12,316	61,558	276,367
2021	1,706	94,352	6,701	1,758	3,723	85,007	8,448	11,036	61,558	274,289
2020	1,706	94,930	6,701	1,592	3,723	85,007	8,644	11,025	61,558	274,886
2019	1,465	94,930	6,701	1,637	3,705	85,007	8,644	11,064	61,588	274,741
2018	1,465	94,930	6,701	1,495	3,705	84,909	8,644	11,021	61,521	274,434
2017	1,465	95,007	6,701	1,336	3,553	84,909	8,644	11,064	61,487	274,166

Municipal Solid Waste Collection

Fiscal Year	Ashland	Chesterfield	Colonial Heights	Hopewell	Petersburg	Total
2026	1,988	819	7,057	8,898	-	18,762
2025	1,956	898	7,044	8,860	-	18,758
2024	1,897	997	7,018	8,818	12,414	31,144
2023	1,877	1,098	6,994	8,786	12,381	31,136
2022	1,770	1,613	6,922	8,548	11,036	29,889
2021	1,706	1,698	6,882	8,545	11,033	29,864
2020	1,706	1,819	6,815	8,678	11,025	30,043
2019	1,465	1,999	6,751	8,644	11,021	29,908
2018	1,465	2,115	6,701	8,644	11,064	29,954
2017	1,465	2,301	6,632	8,648	11,064	30,110

Notes:

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

Effective July 1, 2023, Chesterfield no longer participates in the CVWMA Residential Recycling Program, however provides recycling collection to some tax-relief customers.

The City of Petersburg opted to provide trash collection independently of the Authority effective July 1, 2024.

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,

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Program Management and Operations	3.00	3.00	2.50	2.50	2.0	2.5	2.5	2.5	2.5	2.5
Public Information and Education	1.50	1.50	1.50	1.50	1.0	2.0	2.0	2.0	2.0	2.0
Finance and Administration	3.50	3.50	3.25	3.25	3.0	3.0	3.0	3.0	3.0	3.0
Call Center Operations	4.00	4.00	4.00	4.0	4.0	3.0	3.5	3.5	3.5	3.5
Total Employees	12.00	12.00	11.25	11.25	10.0	10.5	11.0	11.0	11.0	11.0

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

BROWNEDWARDS
certified public accountants

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

To the Honorable Members of the Audit Committee and Board of Directors
Central Virginia Waste Management Authority
Richmond, 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 each major fund of the Central Virginia Waste Management Authority (the "Authority"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 14, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, as item 2026-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Colonial Heights, Virginia
October 14, 2026

Central Virginia Waste Management Authority

Summary of Compliance Matters

June 30, 2026

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

State Compliance Matters

Code of Virginia

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

Central Virginia Waste Management Authority

Schedule of Findings and Responses

June 30, 2026

A – Summary of Auditor's Results

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency and no material weaknesses** relating to the audit of the financial statements was reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.

B – Findings – Financial Statement Audit

2026-001: Segregation of Duties and Vendor Master File Controls (Significant Deficiency)

Condition: We noted that certain employees possess access and responsibilities that may be incompatible from a segregation of duties perspective. Abilities to maintain vendor master records, post journal entries, perform system administration functions, and participate in key financial reporting processes are possessed by a single employee.

Criteria: Management should implement compensating monitoring controls to mitigate the risks associated with these access levels.

Cause: Turnover in accounting positions.

Effect: Errors in reporting could go undetected due to lack of oversight and segregation of duties.

Recommendation: To mitigate risk of being able to make changes that could contain errors, we recommend a periodic review of the changes made. All changes should be documented or communicated to each other and reviewed.

View of Responsible Officials: It is the goal of the Authority to have oversight over key accounting functions.

Central Virginia Waste Management Authority

Summary Schedule of Prior Audit Findings

June 30, 2026

2025-001: Segregation of Duties (Material Weakness)

Condition: We noted extended turnover in the accounting manager position, which is a key position that provides significant oversight and responsibility in financial reporting, payment processing and receipting, and payroll management. During this time of turnover, there was significant access and decision making provided to the Executive Director with minimal oversight, including areas of payroll processing, check processing, billing, bank reconciliations, and recording journal entries.

Recommendation: During instances of turnover or diminished oversight, we recommend providing board oversight monthly for review of significant processes.

Current Status: Material weakness is no longer present.