COMPREHENSIVE ANNUAL FINANCIAL REPORT

RICHMOND METROPOLITAN AUTHORITY

Richmond, Virginia

Year Ended June 30, 2008

Prepared by

The Department of Finance

Larry D. Clark, Director of Finance

RICHMOND METROPOLITAN AUTHORITY

Comprehensive Annual Financial Report

Year Ended June 30, 2008

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Introductory Section

919 East Main Street, Suite 600, Richmond, Virginia 23219
Telephone 804 523-3300, Fax 804-523-3330, www.rmaonline.org

September 30, 2008

To the Chairman and Members of the Board of Directors
Richmond Metropolitan Authority

The comprehensive annual financial report of the Richmond Metropolitan Authority (the Authority) for the fiscal year ended June 30, 2008 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with management of the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and reported in a manner designed to present fairly the financial position and changes in financial position of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included. The Authority's Management Discussion and Analysis (MD&A) can be found immediately following the report of independent auditors. The Statistical Section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

The Richmond Metropolitan Authority was created on March 30, 1966 by an Act of the General Assembly of the Commonwealth of Virginia for the initial purpose of constructing and operating a toll Expressway System to serve the Richmond metropolitan area. In 1973, the Act was amended to authorize the Authority to provide vehicular parking facilities for the Richmond metropolitan area. An additional amendment in 1984 authorized the Authority to acquire land, to construct and own a baseball stadium, and to lease such land, stadium and attendant facilities. In 1992, another amendment authorized the Authority to own and operate sports facilities of any nature including facilities reasonably related thereto and to lease such facilities as the Authority may prescribe. The resolutions authorizing the issuance of bonds prohibit the commingling of funds of the vehicular parking facilities, the Expressway System, and the Stadium.

The Authority is governed by a Board of Directors consisting of eleven members, six of whom are appointed by the Mayor of the City of Richmond, with the approval of the City Council, and two each by the Boards of Supervisors of the counties of Chesterfield and Henrico. The Commonwealth Transportation Commissioner appoints the eleventh member from the Commonwealth Transportation Board. The Directors each serve four-year terms. Reappointment is the sole responsibility of the aforementioned entities.

The Authority's toll Expressway System is comprised of the Powhite Parkway, the Downtown Expressway, and the Boulevard Bridge. Together they provide approximately 45.91 lane miles of roads and 33 bridges connecting downtown Richmond with surrounding areas.

In addition, the Authority owns and operates four parking facilities in the City of Richmond.

- The Second Street Parking Deck, built at the request of the City of Richmond, opened in 1975. This facility provides 370 parking spaces in support of the retail and office market in the area.

- In 1991, two virtually identical parking structures were opened to support Carytown merchants. Parking at these two facilities is free of charge, in accordance with an agreement with the City of Richmond. Since opening, these two parking decks have supported an increase in business activity in the Carytown area by offering 220 convenient parking spaces to shoppers and visitors. The City of Richmond provides funding to the Authority for the maintenance and operation of these decks.

- The Expressway Parking Deck, which opened in 1992, provides 1,000 parking spaces in downtown Richmond. Located in the City's financial district, the deck is within walking distance of historic Shockoe Slip and the State Capitol.

The Diamond Baseball Stadium, built in 1984, has been home to the AAA Richmond Braves Baseball Club. The 12,000 seat facility provides a source of entertainment to the metropolitan area with an average annual attendance of approximately 435,000 over the last ten years. In 2008, the Atlanta Braves announced that they would relocate their Triple-A franchise to Gwinnett County, Georgia (see major initiatives below).

In June 2003, the City of Richmond completed renovation of the historic Main Street Station and related parking lot. The City of Richmond requested that the RMA provide management services for both the station and parking facilities. The Authority bills the City for any operating and capital expenses not covered by revenues. The Authority submits a budget and financial statements to the City annually.

MAJOR INITIATIVES

- **Open Road Tolling –** In FY 2008-09, the RMA launched the latest advancement in electronic toll collection technology with the opening of the Open Road Tolling (ORT) lanes on the Powhite Parkway. ORT is a barrier free expressway system that provides for electronic toll collection under normal highway driving conditions. The system is supported by a series of lane controllers and cameras that capture and communicate payment and violation data (license plate images) to the Virginia Department of Transportation's (VDOT) Customer Service Center (CSC) located in Clifton Forge, Virginia. Convenience, safety and economics are the driving forces behind the popularity of the system. ORT improves traffic flow, lowers fuel consumption, and eliminates congestion and gridlock. The three south bound lanes opened August 10, 2008, followed by the north bound lanes on September 5, 2008. This $30 million multi-phase project, which began in FY 2001, represents the largest capital improvement project in the 42 year history of the Authority. The RMA Board approved funding for the final phase of this project with the appropriation of $22.5 million to fund the split plaza, a new operations center and infrastructure for the ORT lanes. The new Powhite Plaza operations center was completed in January, 2008. With the completion of the new center, six new staff positions authorized by the fiscal year 2008 budget were filled

March 15, 2008. Violations are a major concern for any ORT environment, as there are no gates, barriers or human interaction to ensure collection of tolls. The Authority's FY 2009 revenue projections reflect a 13.5 percent violation factor; however, to date the violation percentage for the southbound and northbound ORT lanes are averaging below 5 percent. Historically, violation rates have averaged just over 3 percent. Violation processing and collections are the responsibility of the CSC, which is managed by TransCore, Incorporated via a contractual arrangement with VDOT. This centralized processing center provides economies of scale that RMA, or other toll facilities could not achieve individually, and will provide the infrastructure to ensure that video enforcement processing is conducted in a professional, cost efficient and courteous manner.

- **Toll Increase to be effective September 8, 2008** - Debt service coverage, as required by the bond indenture, is an important consideration in the Authority's long range financial planning efforts. The bond indenture requires a debt service coverage ratio of 1.20. A ratio below this level could place the Expressway bonds in a default status. The FY 2008 budget process revealed that the bond ratio was in decline (although, still above the required ratio) due to the adverse impact of inflation since the last toll increase, and the additional operating costs associated with the new Powhite ORT lanes. To better understand the long-term implications of this decline, management worked closely with the Authority's financial advisor (Davenport), and revenue consultant (URS) to develop long range revenue and expenditure forecasts that incorporated historical trends, and assumptions regarding future traffic patterns, customer service demands, cost considerations, debt retirements, and the impact of technology enhancements. These forecasts served as the foundation for evaluating the Authority's ability to keep our safety, customer service and contractual commitments to our customers and bondholders. The forecasts were first presented to the Board of Directors at their November 2007 retreat. At their March 18, 2008 Board meeting, after considerable deliberation and discussion, the RMA Board made the difficult decision to increase toll rates for the first time since 1998. While never popular, the increase renewed the Board's fiduciary, contractual and sworn commitment to our bondholders and customers. The increase will fund up to $80 million in maintenance and capital costs over the next ten years, and it will enable the Authority to keep our commitment to provide safe and convenient commuting on our Expressway system

- **Series 2008 Bonds** – On April 29, 2008 the Authority closed on a $10 million bank qualified bond issue. Revenue bonds were issued under terms of a bond resolution dated April 15, 2008. The Series 2008 Bonds mature annually July 15, 2009 through July 15, 2022, and bear interest at 3.21% per annum.

- **Richmond Braves** – During 2008, the Atlanta Braves notified the Richmond Metropolitan Authority of their plans to move their triple-A team to Gwinnett County, Georgia. The future of baseball at the Diamond for the 2009 session is uncertain, and is dependent on many variables such as negotiations with Minor League Baseball for a replacement team. A group comprised of regional government leaders has been established to coordinate development and recruitment efforts on behalf of the Richmond metropolitan area. Negotiations with Minor League Baseball could not proceed until receipt a formal notice of termination from the Atlanta Braves, which was received by the Authority on September 2, 2008.

ECONOMIC CONDITION AND OUTLOOK

Robust economic activity continued in downtown Richmond during fiscal year 2008. MeadWestvaco broke ground on its new corporate headquarters, the VISTAS on the James Condominium Project was completed and Philip Morris USA opened its new Center for Research and Technology. Additionally, planning is in process for a new Hilton Hotel in the Broad Street Corridor which will provide additional hotel rooms near the Greater Richmond Convention Center. The newly refurbished State Capital, which opened in May 2007, will enhance tourism in downtown Richmond. Listed below are some of the projects that highlight the continued resurgence of downtown Richmond.

- **Monroe Park Campus –** Construction is coming to conclusion on this 11-acre, $228 million addition to the downtown campus of Virginia Commonwealth University. In addition to other buildings, this expansion includes a new School of Business and Phase II of the University's School of Engineering. Much of the Broad Street corridor of downtown Richmond has been modernized by new university housing and related facilities.

- **Federal Courthouse –** On September 2, 2008 a new 7-story U.S. Courthouse for the Richmond Division of the Eastern District of Virginia opened for business. The $102 million, 349,000 square foot federal courthouse is located in the 700 block of East Broad Street.

- **Philip Morris Research and Development Center –** During FY 2008 Philip Morris USA, the country's largest cigarette manufacturer, opened its $350 million, 450,000 square foot research facility in the Virginia BioTechnology Research Park. The Center, which will initially house approximately 100 employees, will eventually be home to 500 scientists, engineers, and support staff.

- **MeadWestvaco Corporation –** In May 2007 MeadWestvaco broke ground on their corporate headquarters in downtown Richmond. The nine-floor, 300,000 square foot building will be located at the Foundry Park Site, which will contribute to the revitalization of the city's downtown riverfront. The building, overlooking the James River just west of the Federal Reserve Bank, is to be part of a commercial and retail development called Foundry Park. MeadWestvaco plans to move 500 to 600 employees into the building initially, though it will accommodate up to 1,000 workers. The building is slated to be completed by mid-2009.

- **VISTAS on the James –** This 18-story, $50 million mixed use condominium and commercial property opened October 2007. On the day it opened, only 15 of the 160 condos were still available for sale. Prices range from $350 thousand to $1 million.

- **Richmond CenterStage –** This performing arts center is scheduled to open in the fall 2009, providing a home for the ballet, symphony, opera and other local nonprofit arts groups. The project will include a renovated and expanded Carpenter Center, which will reopen as the Carpenter Theatre, plus a community playhouse, a multipurpose performance hall and an arts-education center.

The June 2008 unemployment rate for the nation was 5.5 percent, compared to 4.5 percent for the Richmond area. Although Richmond is not recession proof, the low unemployment rate, when compared to the nation, is a testament to the region's accessibility, diverse industries, ports, transportation facilities, centers of education, and continued growth of new and existing businesses.

Richmond International Airport reported a record 3.63 million travelers for fiscal year 2008, a 4.6% increase from fiscal year 2007. Richmond International Airport is the gateway for Virginia's Capital Region, and offers 200 daily non-stop flights on nine air carriers to 21 domestic destinations. Recent additions to the airport include a new bi-level terminal building, which includes new upper-level ticketing/departure and lower-level baggage claim/arrival areas, an increase in the number of gates, 8,000 new parking spaces, and a new terminal roadway and air traffic control facility. The airport has also completed construction of a new North parking garage, which would increase parking spaces to over 10,000.

FINANCIAL INFORMATION

Internal Controls - Management of the Authority is responsible for establishing and maintaining a system of internal controls designed: 1) to ensure that the assets of the Authority are protected from loss, theft or misuse; and, 2) to provide assurance that accounting data is compiled and presented in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute assurance of the integrity and reliability of accounting information, and recognize that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls - Annually, the Authority submits a budget to the Board of Directors for consideration and adoption. The Authority maintains monthly budgetary monitoring as part of its system of internal controls. Budget to actual financial reports are prepared monthly and presented to management and the Board of Directors. As an additional budgetary control, Section 8.10 of a resolution creating and establishing an issue of revenue bonds of the Authority, adopted December 30, 1970, requires the Authority's two consultants, Howard Needles Tammen & Bergendoff and URS Corporation, to certify that the annual operating budget provides sufficient revenues to meet budgeted expenses and to maintain the quality of the Authority's facilities. Section 5.4 of the aforementioned resolution establishes the Repair and Contingency Fund to be maintained so long as any of the Bonds remain outstanding and unpaid, said Fund to be administered by the Authority. This section also stipulates that the consulting engineering firm will certify the amount(s) deposited into the Repair and Contingency fund annually to pay the extraordinary and non-recurring costs of operation, maintenance, repairs and replacements to the Expressway not paid from the Operating Fund.

OTHER INFORMATION

Independent Audit - Section 8.12 of a resolution, adopted December 30, 1970, creating and establishing an issue of revenue bonds of the Richmond Metropolitan Authority requires an annual audit by independent certified public accountants. The auditors' report on the basic financial statements is included in the financial section of this report.

Award - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Richmond Metropolitan Authority for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Richmond Metropolitan Authority has received a Certificate of Achievement for fourteen consecutive years. The Authority believes the current report continues to conform to the Certificate of Achievement program requirements and is being submitted to GFOA for consideration.

Acknowledgments - Preparation of the Authority's comprehensive annual financial report on a timely basis was made possible by the dedicated service of the staff of the Finance Department and the Authority's Internal Auditor. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report. In closing, we would like to thank the Board of Directors of the Authority for their leadership and support in planning and conducting the financial affairs of the Authority in a responsible and progressive manner.

Sincerely,

Larry D. Clark

Robert M. Berry
General Manager

Larry D. Clark
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Richmond Metropolitan Authority, Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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

President

Executive Director

RICHMOND METROPOLITAN AUTHORITY

Principal Officials

June 30, 2008

Board of Directors

Appointed by City of Richmond	Appointed by Chesterfield County
Mr. Herman L. Carter, Jr., Vice-Chairman	Mr. Charles H. Foster, Jr.
Mr. Charles B. Arrington, Jr.	Mr. Charles R. White
Mr. A. Peter Brodell	
Ms. Jacqueline G. Epps	
Mr. Corey Nicholson	
Ms. Jennifer L. McClellan	

Appointed by Henrico County	Appointed by Commissioner, Department of Transportation
Mr. James L. Jenkins, Chairman	Mr. Gerald P. McCarthy
Mr. Reginald H. Nelson IV	

General Manager

Mr. Robert M. Berry

Director of Operations

Mr. James B. Kennedy

Director of Finance

Mr. Larry D. Clark

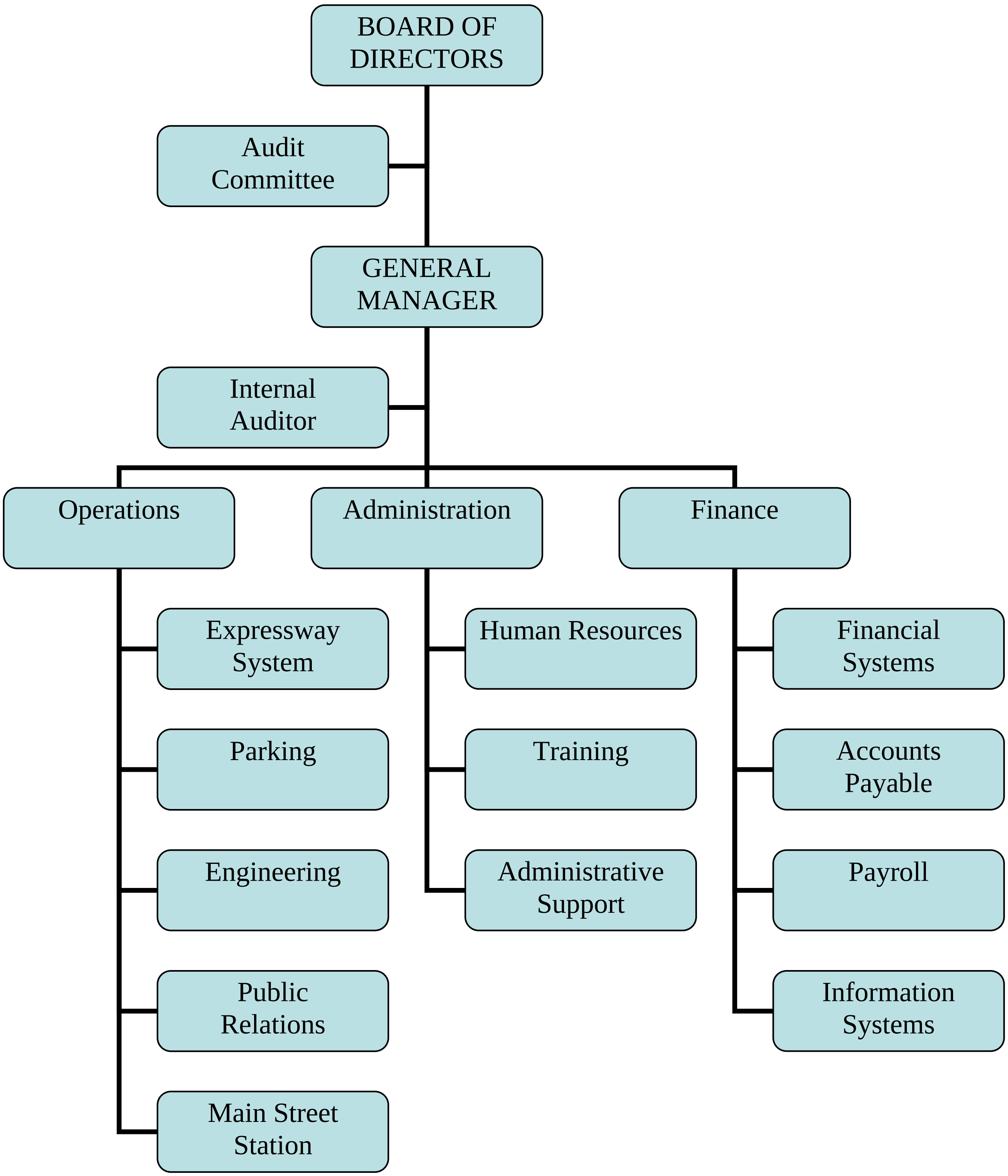
Director of Administration

Ms. Paulette S. Cook

Secretary and General Counsel

Mr. Eric E. Ballou

Richmond Metropolitan Authority
Organizational Chart
June 30, 2008



Financial Section

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditors' Report

To the Board of Directors
Richmond Metropolitan Authority
Richmond, Virginia

We have audited the business type activities, each major fund, and the aggregate remaining fund information of the Richmond Metropolitan Authority as of and for the year ended June 30, 2008, as listed in the table of contents, which collectively comprise the Authority's basic financial statements. These financial statements are the responsibility of Richmond Metropolitan Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business types activities, each major fund, and the aggregate remaining fund information of the Richmond Metropolitan Authority as of June 30, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2008 on our consideration of the Richmond Metropolitan Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Modified Approach for Reporting Infrastructure, and Schedule of Funding Progress for a Defined Benefit Pension Plan are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The introductory section, statistical section, and the nonmajor funds combining financial statements listed in the table of contents, which are also the responsibility of the management of Richmond Metropolitan Authority, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Richmond Metropolitan Authority. The nonmajor funds combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cherry, Bekaert & Holland, L.L.P.

Richmond, Virginia
September 30, 2008

Richmond Metropolitan Authority

Management's Discussion and Analysis

Year Ended June 30, 2008

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2008. This section should be read in conjunction with the transmittal letter in the introductory section of this report and the Authority's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Expressway

For FY 2008, traffic volume on the expressway system totaled 59,868,808, which compares to 59,474,940 for FY 2007. This equates to a 393,868 (0.66%) increase in traffic volume. Toll revenues increased $48,661 when compared to the previous year. The table below summarizes traffic volume and toll revenue for FY 2008.

	FY 2008 Budget	FY 2008 Actual	FY 2007 Actual	Increase (Decrease) FY 08 vs 07
Traffic Volume	60,441,000	59,868,808	59,474,940	393,868
Toll Revenue	$ 25,493,700	$ 25,765,372	$ 25,716,711	$ 48,661
EZ-Pass Participation *1		29,447,886	28,019,955	1,427,931

*1 – E-ZPass participation as a percentage of total traffic volume totaled 49.2% for FY 2008, which compares to 47.1% for FY 2007.

Total operating expenses for the Expressway System totaled approximately $15.6 million in fiscal year 2008, a 20.0% increase from total operating expenses of $12.9 million for fiscal year 2007. This increase was directly related to maintenance, architectural and consulting costs relative to the construction of the new administration building and ORT lanes at the Powhite Plaza. In accordance with GASB 34 and the modified approach for reporting fixed assets, only certain costs directly related to the project were eligible to be capitalized; while the remaining costs were expensed. In its guidance, the Government Accounting Standards Board (GASB) provides that a governmental entity may capitalize all new costs, and other costs which enhance the efficiency of an infrastructure asset. Clearly the new administration building satisfies the new asset requirement; and accordingly, the entire $2.9 million cost (including project, architectural and project management) was capitalized. The technology employed with the opening of the ORT lanes greatly enhances through put on the Powhite Parkway, and therefore, it was considered appropriate to capitalize all costs directly associated with the construction of this project, which totaled $18.1 million. Those costs ($4.3 million) that were not directly related to the construction of the ORT lanes and tunnel (from an accounting viewpoint), such as additional paving, the Forest Hill ramp relocation work, consulting, engineering, and architectural, were expensed. During the construction of the new ORT lanes, the existing southbound canopy was removed and relocated. The original cost (in 1970s dollars) of the old canopy, as estimated by our architectural firm, is reflected on the Statement of Revenues, Expenses, and Changes in Fund Net Assets, as a non-operating expense (loss of disposal) in the amount of $238,700.

Expressway Parking Deck

For fiscal year 2008, parking fees derived from the Downtown Parking Facility (the "Expressway Parking Deck") were $1.25 million, compared to $1.24 million for fiscal year 2007. The majority of revenue is generated from monthly rentals. The facility was designed for 1,000 parking spaces and averaged 1,139 monthly rented spaces in fiscal year 2008 at a rate of $90 for a majority of the spaces.

Total operating expenses, including depreciation, for the Expressway Parking Deck totaled $883,469 for fiscal year 2008, compared to $840,140 for fiscal year 2007. This 5.2% increase is related to budgeted increases for employee compensation, and consulting fees relative to a new office building that will be constructed adjacent to and over the existing parking facility. During FY 2008, upon obtaining approval from the City of Richmond, the Authority transferred $400,000 in July 2007, and $19,000 in June 2008 to the Second Street Parking Deck fund, to provide funding for the principal payments on the Series 1974 Second Street Parking Garage Revenue Bonds.

Second Street Parking Deck

The Second Street Parking Deck continued to struggle financially during FY 2008. Although the deck provided significant cash flow during FY 2008 to pay operating expenses and interest on the Series 1974 Parking Garage Revenue Bonds, it did not provide sufficient revenues to completely pay principal on the debt. As a result, cash transfers in the amount of $419,000 from the Expressway Parking Deck were necessary to provide sufficient funds for the July 2007 and July 2008 principal payments.

Carytown Parking Decks

The financial picture for the two Carytown parking decks remained stable during FY 2008. The stairs at both decks will be replaced in FY 2009, at a cost of approximately $50,000.

Diamond

Total operating revenues for the baseball stadium (The Diamond) for fiscal year 2008 were $604,565 compared to $607,421 for fiscal year 2007. The non-operating revenues for fiscal year 2008 were $93,291, which is $13,709 lower than the $107,000 reported for fiscal year 2007. The non-operating revenues include a $95,000 contribution from the City of Richmond for prior year admission taxes collected at the Diamond. Total operating expenses for the Diamond, including depreciation, for fiscal year 2008 decreased $10,029 (11.8% decrease), when compared to last year. This reduction is primarily related to lower consulting and inspection costs. During 2008, the Atlanta Braves notified the Richmond Metropolitan Authority that they plan to move their triple-A team to Gwinnett County, Georgia. A group comprised of regional government leaders has been established to coordinate development and recruitment efforts on behalf of the Richmond metropolitan area. The Richmond Metropolitan Authority in a cooperative effort with our regional governments will enter into negotiations with Minor League Baseball for a replacement baseball team.

Main Street Station

Management of Main Street Station began on July 1, 2003 but the facility did not begin operation until December 2003. The financial picture for the Main Street Station improved for FY 2008. Revenues increased $28,660 primarily due to rental revenue from leased office space. Operating expenses increased $51,961, which was related to increases in employee compensation, and repairs relative to the electrical and mechanical systems.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and the notes to the financial statements, and other supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information and a section of other supplementary information that further explains and supports the information in the financial statements.

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Fund Net Assets. All assets, liabilities, and net assets associated with the operation of the Authority are included in the Balance Sheet. Net assets – the difference between assets and liabilities – is one way to measure the Authority's financial health or position.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Assets

The Authority's total net assets at June 30, 2008 totaled approximately $44.9 million, a 4.9% increase over the $42.7 million reported at June 30, 2007. Total assets increased 3.3% to $276 million, and total liabilities increased 3.1% to $231 million.

The tables below provide summary information relative to the net assets of the Authority's four major funds, and two non-major funds, as June 30, 2008. FY 2007 information is also provided for comparison. A brief explanation of the major changes from the prior fiscal year has been provided.

Table A-1

Richmond Metropolitan Authority's Net Assets
Expressway System
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Current and other assets	$ 57,508	$ 55,078	$ 2,430
Capital assets	199,730	192,347	7,383
Total assets	257,238	247,425	9,813
Current liabilities	12,647	11,667	980
Long-term liabilities	186,818	180,874	5,944
Total liabilities	199,465	192,541	6,924
Net assets:			
Invested in capital assets, net of related debt	48,145	39,836	8,309
Restricted	9,455	15,659	(6,204)
Unrestricted (deficit)	173	(611)	784
Total net assets	57,773	54,884	2,889
Total liabilities and net assets	$ 257,238	$ 247,425	$ 9,813

The Authority's Expressway System reported total assets of $257.2 million, an increase of 4% from the $247.4 million reported at June 30, 2007. Most of this increase is related to project costs relative to construction of the ORT lanes, and new administration building at the Powhite Plaza. These construction costs were funded with a combination of new debt issued in 2006 and 2008, and Repair and Contingency fund cash reserves. Corresponding, total liabilities in FY 2008 increased 3.6% as a result of $10 million of new debt that was issued. The 3.6% increase is also due to the $1.45 million increase in subordinate debt payable to the City of Richmond.

The above $8.3 million increase in net assets "invested in capital assets, net of related debt" is primarily due to the $6.2 million decrease in restricted net assets (primarily R&C cash), relative to expenditures for the Powhite construction project. While long-termed debt increased in FY 2008 by a net $4.8 million, capital assets increased $7.4 million. Most of this net $8.3 million increase in capital assets in excess of related debt was funded by cash reserves in the R&C fund. However, not all of the $6.2 million decrease in restricted assets was expended on projects that were capitalized. As indicated in the above Expressway Fund current operating expenses analysis, only those costs that were directly related to ORT project expenses were capitalized, in accordance with GASB 34.

The increase in unrestricted assets is primarily due to operating results for fiscal year 2008, in which revenues exceeded expenses, see table A-6 for further discussion.

Table A-2

Richmond Metropolitan Authority's Net Assets (Deficit)
Expressway Parking Deck
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008-2007
Current and other assets	$ 1,361	$ 1,474	$ (113)
Capital assets	9,377	9,771	(394)
Total assets	10,738	11,245	(507)
Current liabilities	4,451	3,869	582
Long-term liabilities	24,858	25,003	(145)
Total liabilities	29,309	28,872	437
Net assets (deficit):			
Invested in capital assets, net of related debt	(9,474)	(9,075)	(399)
Restricted	327	263	64
Unrestricted	(9,424)	(8,815)	(609)
Total net assets (deficit)	(18,571)	(17,627)	(944)
Total liabilities and net assets (deficit)	$ 10,738	$ 11,245	$ (507)

The Expressway Parking Deck reported total assets of $10.7 million, a decrease of $506,074 from the $11.2 million reported for FY 2007. Most of this decrease is related to depreciation in the amount of $393,283 and transfers to the second street deck in the amount of $419,000.

The $437 thousand increase in total liabilities was due to a $507,642 increase in accrued interest payable relative to the Series 1990 and 1992 bonds.

The $399 thousand decrease in total net assets invested in capital assets, net of related debt, is the result of depreciation in the amount of $393,283.

The $944 thousand increase in the unrestricted net asset deficit is the result of an operating loss in the amount of $943,135. See table A-7 for further discussion.

Table A-3

Richmond Metropolitan Authority's Net Assets
Stadium
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Current and other assets	$ 262	$ 270	$ (8)
Capital assets	5,431	5,690	(259)
Total assets	5,693	5,960	(267)
Current liabilities	195	311	(116)
Total liabilities	195	311	(116)
Net assets:			
Invested in capital assets, net of related debt	5,431	5,690	(259)
Unrestricted (deficit)	67	(41)	108
Total net assets	5,498	5,649	(151)
Total liabilities and net assets	$ 5,693	$ 5,960	$ (267)

Total Stadium assets decreased $267,279 during FY 2008. This decrease was related to depreciation in the amount of $271,847, and declines in cash ($20,037) and investments ($8,269). The reduction in cash and investments is due to declines in skybox sales, and a delay in the receipt of the VCU rental payment, as a result of contract negotiations. The decline in liabilities also contributed to the decline in cash.

The decrease of $115,808 in total Stadium liabilities was related to declines in accounts payable and unearned revenue.

Total net assets invested in capital assets, net of related debt, decreased approximately $259 thousand due primarily to the increase in accumulated depreciation, which resulted in a corresponding reduction in total net assets.

Table A-4

Richmond Metropolitan Authority's Net Assets
Main Street Station
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Current and other assets	$ 223	$ 215	$ 8
Total assets	223	215	8
Current liabilities	174	153	21
Total liabilities	174	153	21
Net assets:			
Unrestricted	49	62	(13)
Total net assets	49	62	(13)
Total liabilities and net assets	$ 223	$ 215	$ 8

Total assets increased $8,487 from the prior year. This increase was due to the increase in accounts receivable, and additional revenue relative to parking and lease rental.

Total liabilities increased $21,972 due to increases in accounts payable and accrued liabilities. These increases are generally due to timing relative to the receipt of invoices at year-end.

The City of Richmond owns the station and provides the necessary funds to the RMA in order to operate and maintain the facility.

Table A-5

Richmond Metropolitan Authority's Net Assets
Other Non-Major Funds
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Current and other assets	$ 152	$ 200	$ (48)
Capital assets	1,913	1,986	(73)
Total assets	2,065	2,186	(121)
Current liabilities	61	435	(374)
Long-term liabilities	1,867	1,927	(60)
Total liabilities	1,928	2,362	(434)
Net assets:			
Invested in capital assets, net of related debt	879	552	327
Restricted	42	55	(13)
Unrestricted	(784)	(783)	(1)
Total net assets	137	(176)	313
Total liabilities and net assets	$ 2,065	$ 2,186	$ (121)

The decrease in total assets for FY 2008 was primarily due to an increase in accumulated depreciation and a decrease in cash. The decrease in cash was the result of a net operating loss relative to the Carytown Parking Decks. Although the Second Street Fund reflected net income (change in net assets) of $339,162 for the year, it would have incurred a net loss of $79,838 if not for the $419,000 transfer from the Expressway Deck Fund, as discussed below.

The $434 thousand decrease in liabilities was the result of a $400,000 debt payment relative to the Series 1974 Parking Garage Revenue Bonds. Funding for this principal payment was provided by a $400,000 transfer form the Expressway Parking Deck Fund, as approved by the City of Richmond. During 2008, the City of Richmond also approved an additional transfer from the Expressway Parking Deck Fund to the Second Street Parking Deck Fund of $19,000 to provide partial funding for the July 2008 principle payment on the Series 1974 bonds. Both transfers are reflected as non-operating revenue in the Statement of Revenues, Expenses and Changes in Fund Net Assets.

The $419,000 transfer from the Expressway Deck Fund resulted in an overall increase in net assets of $314 thousand for the year.

Changes in Fund Net Assets

The tables that follow provide summary information relative to the changes in net assets (net income) of the Authority's four major funds, and two non-major funds, as of June 30, 2008. FY 2007 information is also provided for comparison.

Table A-6

Richmond Metropolitan Authority's Changes in Net Assets
Expressway System
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Operating revenues:			
Tolls	$ 25,766	$ 25,717	$ 49
Other	75	45	30
Total operating revenues	25,841	25,762	79
Nonoperating revenues	1,947	4,391	(2,444)
Total revenues	27,788	30,153	(2,365)
Operating expenses:			
Employee compensation and benefits	5,601	5,201	400
Maintenance	4,865	3,319	1,546
Consulting fees	1,788	827	961
Heat, light and power	139	112	27
Insurance	256	336	(80)
Toll tag processing	2,131	2,228	(97)
Other	792	912	(120)
Total operating expenses	15,572	12,935	2,637
Nonoperating expenses	9,327	8,662	665
Total expenses	24,899	21,597	3,302
Change in net assets	2,889	8,556	(5,667)
Net assets-beginning	54,884	46,328	8,556
Net assets-ending	$ 57,773	$ 54,884	$ 2,889

For FY 2008, traffic volume on the expressway system totaled 59,868,808, which compares to 59,474,940 for FY 2007. The 393,868 increase in traffic volume equates to a percentage increase of 0.66%, and additional toll revenue of $ $48,661. Budgeted traffic volume and toll revenue, as estimated by the Authority's revenue consultant, totaled 60,441,000 and 25,493,700, respectively for FY 2008. While we anticipate that construction and gas prices had an adverse impact on traffic volume and toll revenues for FY 2008, the individual effects could not be identified. Construction at the Powhite plaza was ongoing at year end, and it appears logical to assume that traffic volume for FY 2008 was impacted by alternating traffic patterns and media coverage. A survey conducted by the International Bridge, Tunnel and Turnpike Association indicates that its member organizations experienced a 5.09% reduction in June traffic volume, when compared to the same period last year. The survey also indicated decreases of 2.02% for May and 2.75% for April. The per gallon price of regular gasoline in the Richmond area has increased from $2.88 to $3.99 within the past year. This represents a 38.5% increase over this period.

Construction on the Powhite Parkway concluded on September 5, 2008 with the opening of the northbound ORT lanes. The southbound ORT lanes opened August 10, 2008. With the conclusion of construction and falling gas prices, we anticipate a positive impact on traffic volume, and related revenue. However, we do anticipate that traffic volume on the Expressway System will be adversely impacted by the September 8, 2008 toll increase, which impacts the entire system. The anticipated declines were built into the FY 2009 traffic volume budget by our revenue consultant. Overall, FY 2009 revenue is anticipated to increase as a result of the toll increase.

Total operating expenses for the Expressway System totaled approximately $15.6 million in fiscal year 2008, a 20.4% increase from total operating expenses of $12.9 million for fiscal year 2007. This increase was directly related to maintenance, architectural and consulting costs relative to the construction of the new administration building and ORT lanes at the Powhite Plaza. In accordance with GASB 34 and the modified approach for reporting fixed assets, only certain costs directly related to the project were eligible to be capitalized; while the remaining costs were expensed. The overall increase in operating expenses is also due to additional personnel cost related to the hiring of seven new positions in March 2008 in anticipated of the opening of the new ORT lanes.

Non-operating revenues declined overall, as the FY 2007 operating statement reflected a one time gain of $1,846,122 related to the sale of land. Investment earnings declined from $2.5 million in FY 2007, to $1.95 million in FY 2008. Much of this decline is result of depressed investment returns due to market conditions, and a decline in the fair market value of investments from the previous year.

The increase in non-operating expenses is the result of an increase in interest expense, and a one-time loss of $238,700 related to the demolition of the existing southbound canopy at the Powhite Parkway.

Table A-7

Richmond Metropolitan Authority's Changes in Net Assets
Expressway Parking Deck
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Operating revenues:			
Parking fees and rentals	$ 1,254	$ 1,248	$ 6
Other	4	5	(1)
Total operating revenues	1,258	1,253	5
Nonoperating revenues	38	49	(11)
Total revenues	1,296	1,302	(6)
Operating expenses:			
Employee compensation and benefits	301	268	33
Maintenance	48	46	2
Depreciation	393	393	–
Consulting fees	12	1	11
Heat, light and power	42	42	–
Insurance	36	38	(2)
Other	52	52	–
Total operating expenses	884	840	44
Nonoperating expenses & transfers	1,356	1,310	46
Total expenses	2,240	2,150	90
Change in net assets (deficit)	(944)	(848)	(96)
Net assets (deficit)-beginning	(17,627)	(16,779)	(848)
Net assets (deficit)-ending	$ (18,571)	$ (17,627)	$ (944)

Parking revenue remained flat this year, as the deck operated at capacity. For FY 2008, the Expressway Parking Deck averaged 1,139 parkers, the same average experienced for FY 2007. Non-operating revenue declined $11 thousand as a result of declining investment income, and fair market values of investments.

Total expenses increased approximately $44 thousand, primarily due to budgeted increases for employee compensation, and consulting fees relative to a new office building that will be constructed adjacent to and over the existing parking facility. Non-operating expenses reflect a $419,000 transfer to the Second Street Parking Deck Fund for principal debt service, as approved by the City of Richmond.

Table A-8

Richmond Metropolitan Authority's Changes in Net Assets
Stadium

(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Operating revenues:			
Parking fees and rentals	$ 176	$ 159	$ 17
Stadium and skybox rentals	429	448	(19)
Total operating revenues	605	607	(2)
Nonoperating revenues	93	108	(15)
Total revenues	698	715	(17)
Operating expenses:			
Maintenance	361	378	(17)
Depreciation	272	272	–
Consulting fees	1	–	1
Heat, light and power	143	147	(4)
Insurance	25	26	(1)
Other	47	36	11
Total operating expenses	849	859	(10)
Change in net assets	(151)	(144)	(7)
Net assets-beginning	5,649	5,793	(144)
Net assets-ending	$ 5,498	$ 5,649	$ (151)

Overall, Stadium revenues declined for FY 2008. During 2008, the Atlanta Braves announced plans to move their tripe-A team to Gwinnett County, Georgia. This announcement had an adverse impact on FY 2008 parking revenues and skybox rentals.

The announcement necessitated a cash flow analysis to determine the financial impact on the Authority. A financial and operational plan was designed to mitigate any adverse financial impact to our member jurisdictions, while maintaining core operations at the facility. Impacted revenues include game parking, and skybox and facility rentals.

Table A-9

Richmond Metropolitan Authority's Changes in Net Assets
Main Street Station
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Operating revenues:			
Parking fees and rentals	$ 480	$ 451	$ 29
Total operating revenues	480	451	29
Nonoperating revenues	381	276	105
Total revenues	861	727	134
Operating expenses:			
Employee compensation and benefits	179	159	20
Maintenance	166	206	(40)
Consulting	1	25	(24)
Heat, light and power	232	213	19
Insurance	3	4	(1)
Other	293	216	77
Total operating expenses	874	823	51
Total expenses	874	823	51
Change in net assets	(13)	(96)	83
Net assets-beginning	62	158	(96)
Net assets-ending	$ 49	$ 62	$ (13)

Operating revenues increased from the prior year primarily due to increases in parking revenue and office space rental. Contributions from the City of Richmond resulted in a $105 thousand increase in non-operating revenues.

Operating expenses increased by 6.2% from the prior year, primarily due to employee benefits and increases for contractual services related to maintenance, HVAC and electrical services

Net assets decreased from $62,182 to $48,695 as a result of the of a negative $13 thousand change in net assets (net income loss) for the year.

Table A-10

Richmond Metropolitan Authority's Changes in Net Assets
Non-Major Funds
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Operating revenues:			
Parking fees and rentals	$ 182	$ 184	$ (2)
Total operating revenues	182	184	(2)
Nonoperating revenues	422	–	422
Total revenues	604	184	420
Operating expenses:			
Employee compensation and benefits	70	61	9
Maintenance	14	20	(6)
Depreciation	73	72	1
Consulting	3	0	3
Heat, light and power	26	24	2
Insurance	11	12	(1)
Other	29	22	7
Total operating expenses	226	211	(15)
Nonoperating expenses & transfers	66	80	(14)
Total expenses	292	291	1
Change in net assets	312	(107)	419
Net assets-beginning	(175)	(68)	(107)
Net assets-ending	$ 137	$ (175)	$ 312

For FY 2008, operating revenue was flat, while non-operating revenue increased $422 thousand as a result of a $419,000 transfer from the Expressway Parking Deck Fund, to the Second Street Parking Deck Fund. The transfers provided funds for the July 2007 and July 2008 principal payments relative to the Series 1974 Parking Garage Bonds.

Total operating expenses decreased due to a decline in repairs at the two decks. Repair expenses will increase next year as the Authority is in the process of replacing the stairs at the two Carytown Decks.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2008, the Authority has invested approximately $230.2 million in capital assets, including roads, bridges, buildings, land, and equipment. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately $13.7 million (6.2%) over FY 2007 total assets of $222.7 million. Net of accumulated depreciation, the Authority's net capital assets at June 30, 2008 totaled approximately $216.5 million.

Table A-11

Richmond Metropolitan Authority's Capital Assets Net of Depreciation
(in thousands of dollars)

	2008	2007	Increase (Decrease) 2008–2007
Expressway system	$ 189,953	$ 169,202	$ 20,751
Boulevard Bridge	9,777	9,777	–
Land	1,629	1,629	–
Parking garages	10,274	10,740	(466)
Stadium facility	4,819	4,621	198
Construction in progress	–	13,824	(13,824)
Total	$ 216,452	$ 209,793	$ 6,659

The Authority has elected to use the "modified approach" to account for certain infrastructure assets, as provided in GASB Statement No. 34. Under the modified approach, the Authority does not record depreciation expense nor are amounts capitalized in connection with improvements to these assets, unless the improvements expand the capacity, technology or efficiency of the asset. Utilization of this approach requires the Authority to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the Authority, 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained, and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. Bridges and expressways maintained by the Authority are accounted for using the modified approach.

The Authority manages its bridge network using the engineering firm of Howard, Needles Tammen & Bergendoff (HNTB) for biennial inspections. HNTB uses the Bridge Management and Inspection Program in order to evaluate the condition of bridges and the Authority accounts for them using the modified approach, as provided by GASB 34. The bridge condition rating is a numerical condition scale ranging from 1 (impaired or load restricted) to 9 (new). A bridge is considered "deficient" – that is, needs maintenance or preservation – when its condition rating falls below 5. A bridge is unsafe – impaired or load restricted – when its rating falls below condition level 2. It is the Authority's policy that no bridge, including the deck surface, will be rated as level 4, "structurally deficient." The 2008 condition assessment, as conducted by HNTB, indicates that the Authority is in compliance with the above stated policy.

HNTB, utilizing the asphalt specific Washington State Department of Transportation (WSDOT) Pavement Condition Rating (PCR) System as a guide, generated a condition rating for defined segments of the Authority's expressway system. The surface pavement of the expressway system is composed entirely of asphalt. A PCR rating will fall into one of four distinct Treatment Groups with each having corresponding maintenance strategies and potential treatments. Group 1, PCR between 75 – 100, indicates excellent to very good condition; Group 2, PCR between 50 – 74, indicates very good to good condition; Group 3, PCR between 25 – 49, indicates good to fair condition; and Group 4, PCR between 0 – 24, indicates fair to poor condition. The Authority has a preventative maintenance program that will not permit surface pavements to fall below a PCR value of 40 or Group 3 condition. All of the Authority's road surfaces have a Group 2 or better rating, thereby complying with our preventative maintenance program. During fiscal year 2008, the Authority spent approximately $4.86 million to preserve and maintain the roads and bridges at, or above, this level.

Debt Administration

At June 30, 2008, total outstanding debt for the Authority totaled $223,440,706, which consisted of the following:

A. Expressway System

Expressway Fund debt totaled $192,320,817, and is comprised of:

- Expressway parity debt (excluding deductions of $7,314,210 for discounts and premiums) in the amount of $141,835,000 (includes 2008 bonds). Of this amount, $5,980,000 is payable July 2008. On April 29, 2008, the Authority issued $10 million of Series 2008 Revenue Bonds at an interest rate of 3.21%. The bonds reflect a 14 year amortization schedule, and are scheduled for retirement on July 15, 2022.

- Subordinated notes, payable to the City of Richmond, in the amount of $22,772,022. Accrued interest on these notes totaled $35,028,005 at June 30, 2008. Total debt payable to the City of Richmond totaled $57,800,027. During FY 2008, the Authority made a payment to the City of Richmond in the amount of $77,000 to be applied against the accrued interest.

B. Expressway Parking Deck

Outstanding Expressway Parking Deck debt payable to the City of Richmond totaled $29,227,683 (excluding deductions of $23,804 for discounts.) Of this amount, $18,875,000 was related to unpaid principal, and $10,376,487 was related to unpaid interest. Under the terms of the 1990 and 1992 bond indentures, the Authority is not in a default status.

C. Second Street Parking Deck

Second Street Parking Deck Fund reflected total debt of 1,892,206, which consist of:

- $625,000 relative to the 1974 Series Parking Garage Revenue Bonds. Of this amount, $25,000 is payable July 2008.

- $1,267,206 relative to a 409,500 note payable to the City of Richmond. Accrued interest on this note totals $857,706. The note is payable upon retirement of the Series 1974 Bonds, but not later than 50-years.

ECONOMIC FACTORS AND THE FY 2009 BUDGET

Economic Factors

Strong economic activity continued in downtown Richmond during fiscal year 2008. MeadWestvaco broke ground on its new corporate headquarters, the Riverfront on the James Condominium Project was completed, and Philip Morris USA opened its new Center for Research and Technology. Additionally, planning is in process for a new Hilton Hotel in the Broad Street Corridor which will provide additional hotel rooms near the Greater Richmond Convention Center. The newly refurbished State Capital, which opened in May 2007, will enhance tourism in downtown Richmond.

The June 2008 unemployment rate for the nation was 5.5 percent, compared to 4.5 percent for the Richmond area. Although Richmond is not recession proof, the low unemployment rate, when compared to the nation, is a testament to the region's accessibility, diverse industries, ports, centers of education, and continued growth of new and existing businesses.

Traffic volume and toll revenue were basically flat for the year ended June 30, 2008, and actually declined during the April to July, 2008 period. Although we anticipate that construction and gas prices have had an adverse impact on traffic volume, the individual effects cannot be identified. Construction at the Powhite Parkway was ongoing at year-end, and it appears logical to assume that traffic volume has declined due to alternating traffic patterns and media coverage. Volume at the Downtown Expressway has also been impacted since approximately 1/3 of this traffic originates at the Powhite Plaza. Construction at the Powhite Parkway concluded with the September 5, 2008 opening of the north bound ORT lanes, and we are encouraged that the system will experience a reversal of recent declines. It is worth noting that traffic volume and revenues for FY 2008 increased, when compared to the previous year, in the face of historic gas prices and the largest construction project in the 42-year history of the Authority.

FY 2008-09 Budget

Annually, management submits a budget to the Board of Directors for review and adoption, for the upcoming fiscal year. The four major funds of the Authority are the Expressway System, Expressway Parking Deck, the Stadium, and Main Street Station, with the largest being the Expressway System. Budgets are also adopted for the two non-major funds – the Second Street Parking Garage, and the two Carytown Parking Decks. Budget highlights relative to the four major funds are provided below.

A. **Expressway Budget** - Expressway System revenues for fiscal year 2009 are projected to total $33,931,638, as certified by URS Corporation, our traffic and revenue consultants. This represents a 30.6% increase over FY 2008 total revenue of $25,975,400. Toll revenue is forecast to increase from $25,493,700 for FY 2008 to $31,504,000 for FY 2009. This 23.58% increase is directly related to the September 8, 2008 toll increase approved by the Board of Directors at their March 18, 2008 meeting. The FY 2009 toll revenue forecast includes a violation rate of 13.5% in anticipation that violations will initially increase with the opening of the ORT lanes at the Powhite Plaza. Total FY 2009 revenues also include ORT violation revenues of $999,480, and investment income of $1,356,543. The ORT violation revenue line item is new for FY 2009, and is related to fines that will be collected via video enforcement by the Customer Service Center. Finally, the FY 2009 budget includes rental income of $71,605.

The fiscal year 2009 operating expenses for the Expressway System total $13,364,950, compared to $10,636,120 for FY 2008. This represents a 25.66% increase over the FY 2008 budget. Much of this increase in related to ORT violation processing which totals $1,804,212. This estimate reflects our best attempts to quantify processing costs and revenue collections given the experience of other toll facilities with similar technology, operating procedures and fee structure. However, the underlying technology and fee structure are new to Virginia and the actual costs are dependent on many variables which could not be determined with certainty. Management chose a conservative approach when estimating these costs. The FY 2009 budget also reflects a new line item for VDOT maintenance. RMA has been notified that beginning July 1, 2008, VDOT will access an annual fee of approximately $500,000 for performing routine maintenance on the expressway system. This service had been provided free of charge in prior years. Finally, E-ZPass processing fees are projected to increase $209,300, as a result of the projected popularity of ORT. The E-ZPass program has experienced steady growth since it was first integrated into the RMA system in August 2005. Until now our customers could not fully experience the promises of non-stop commuting due to the limitation imposed by barrier plazas. With the opening of the ORT lanes, RMA customers will enjoy the full benefits of E-ZPass as they travel our system unimpeded by barrier plazas, and the resulting stop-and-go traffic. Currently, electronic toll collections (ETC) accounts for approximately 49.2 percent of total transactions. This percentage is expected to grow to 60.5% by June 2009 due to ORT.

B. Expressway Deck Budget - We anticipate that revenues will decrease approximately $192,583 for FY 2008-09. The decrease is directly related to economic activity in the downtown area, which includes the following:

- The Wachovia Securities move to Saint Louis, Missouri. Potentially the deck could directly loose 184 monthly parkers as a result of this move. The Wachovia move could also impact spaces in Riverfront Plaza which may increase the number of available parking spaces in the Canal Street vicinity, which could indirectly impact demand at the RMA Deck.
.
- The Federal Reserve is constructing a new parking facility next to the new MeadWestavo Corporation tower which could also increase the number of available spaces in the area.

- The construction of a new office building adjacent to and over the existing parking facility. It is anticipated that construction will adversely impact revenues.

Expenses for fiscal year 2008-09 are expected to increase $33,372, which equates to a 6.63% increase. Most of this increase is related to administrative expenses which are expected to increase $17,194 as a result of OPEB. The remainder of the increase is related to a $7,894 increase in salaries and benefits

C. **The Stadium** - The announcement that the Richmond Braves will relocate to Gwinnett County, Georgia for the 2009 baseball session necessitated a cash flow analysis to determine the financial impact on the Authority. A financial and operational plan (cash flow plan) was designed to mitigate any adverse financial impact to our member jurisdictions, while maintaining core operations at the facility. The analysis revealed that revenues will be adversely impacted, with a 37% reduction. Impacted revenues include game parking, and skybox and facility rentals. VCU will continue to rent the facility February through April, 2009 for baseball games and practice, and we will continue to receive special event parking revenues, which totaled approximately $50,000 for Fiscal Year 2007. Although we anticipate a net operating loss of $163,986, we do not anticipate a call to our member jurisdiction for support, as it now appears that cash reserves, which include parking lot funds, will be sufficient to cover this deficit. However, the safety margin is small, and any unexpected repair or capital requirement could change the cash flow picture. Future plans for the facility will greatly influence operational and maintenance expenditures. Although the fiscal year 2008-09 budget was developed with the assumption that there would be no baseball for the 2009 session, a team may be in place for the start of calendar year 2009 baseball.

D. **Main Street Station** - The financial picture for the Main Street Station continues to improve. The proposed budget reflects a revenue increase of $72,996. Most of this increase is related to the rental of floors three through five of the facility. VCU continues to rent parking spaces, which results in monthly rental income of approximately $21,000. Event rental reflects a small decrease due to uncertainty relative to the economy. The expense budget increased $73,089, which equates to a 7.42% increase.

CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our bondholders, patrons, and other interested parties with a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the money it receives. If you have questions concerning this report or require additional information, contact the Richmond Metropolitan Authority, ATTN: Director of Finance, 919 East Main St., Suite 600, Richmond, Virginia 23219. Interested parties may also call (804) 523-3300.

Basic Financial Statements

Richmond Metropolitan Authority
Balance Sheet
June 30, 2008

	Expressway System	Expressway Parking Deck	Stadium	Main Street Station	Other Non-Major Funds	Total Business Type Activities
Assets						
Current Assets:						
Cash and cash equivalents	$ 4,991,062	$ 1,270,482	$ 85,926	$ 94,791	$ 77,753	$ 6,520,014
Restricted investments held by trustee	34,281,339	-	-	-	47,737	34,329,076
Other short-term investments	6,510,846	-	130,975	-	24,885	6,666,706
Accrued interest receivable	257,410	-	11,648	2,582	609	272,249
Receivables	166,620	2,544	33,767	75,738	642	279,311
Prepaid expenses	21,652	34	-	-	-	21,686
Total current assets	46,228,929	1,273,060	262,316	173,111	151,626	48,089,042
Noncurrent Assets:						
Restricted investments held by trustee	9,368,443	-	-	-	-	9,368,443
Other long-term investments		-	-	50,000	-	50,000
Deferred financing costs	1,619,265	88,365	-	-	-	1,707,630
Escrow assets	290,694	-	-	-	-	290,694
Capital assets:						
Land	-	134,366	612,000	-	882,615	1,628,981
Parking garages	-	15,731,308	-	-	2,898,223	18,629,531
Stadium facility	-	-	10,131,853	-	-	10,131,853
Expressway system	189,952,583	-	-	-	-	189,952,583
Boulevard bridge	9,777,483	-	-	-	-	9,777,483
Total capital assets	199,730,066	15,865,674	10,743,853	-	3,780,838	230,120,431
Accumulated depreciation	-	(6,488,423)	(5,313,189)		(1,867,241)	(13,668,853)
Net capital assets	199,730,066	9,377,251	5,430,664	-	1,913,597	216,451,578
Total noncurrent assets	211,008,468	9,465,616	5,430,664	50,000	1,913,597	227,868,345
Total assets	257,237,397	10,738,676	5,692,980	223,111	2,065,223	275,957,387
Liabilities						
Current Liabilities:						
Accounts payable and accrued liabilities	3,807,195	70,472	55,240	103,306	16,503	4,052,716
Accrued interest payable	3,168,071	-	-	-	18,750	3,186,821
Unearned revenue	168,592	10,791	140,178	71,110	535	391,206
Bonds & notes payable, current portion	5,503,263	4,369,712	-	-	25,000	9,897,975
Total current liabilities	12,647,121	4,450,975	195,418	174,416	60,788	17,528,718
Noncurrent Liabilities:						
Bonds and notes payable	151,789,549	14,481,484	-	-	1,009,500	167,280,533
Accrued interest payable	35,028,005	10,376,487	-	-	857,706	46,262,198
Total noncurrent liabilities	186,817,554	24,857,971	-	-	1,867,206	213,542,731
Total Liabilities	199,464,675	29,308,946	195,418	174,416	1,927,994	231,071,449
Net Assets (deficit):						
Invested in capital assets, net of related debt	48,144,699	(9,473,945)	5,430,664	-	879,097	44,980,515
Restricted for repairs and contingency	9,454,748	327,361	66,898	-	41,567	9,890,574
Unrestricted	173,275	(9,423,686)	-	48,695	(783,435)	(9,985,151)
Total net assets (deficit)	57,772,722	(18,570,270)	5,497,562	48,695	137,229	44,885,938
Total liabilities and net assets	$ 257,237,397	$ 10,738,676	$ 5,692,980	$ 223,111	$ 2,065,223	$ 275,957,387

See accompanying notes to financial statements

Richmond Metropolitan Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended June 30, 2008

	Expressway System	Expressway Parking Deck	Stadium	Main Street Station	Other Non-Major Funds	Total Business Type Activities
Operating Revenues						
Operating revenues:						
Tolls	$ 25,765,372	$ -	$ -	$ -	$ -	$ 25,765,372
Parking fees and rentals	70,465	1,253,822	176,118	476,992	181,179	2,158,576
Stadium and sky box rentals	-	-	428,427	-	-	428,427
Other	4,681	4,364	20	2,725	855	12,645
Total operating revenues	25,840,518	1,258,186	604,565	479,717	182,034	28,365,020
Operating expenses						
Employee compensation & benefits	5,600,972	300,437	-	178,775	70,261	6,150,445
Maintenance	4,864,531	48,235	362,018	165,699	14,166	5,454,649
Depreciation	-	393,283	271,847	-	72,455	737,585
Consulting fees	1,788,507	11,486	830	1,586	2,807	1,805,216
Heat, light, power	138,301	41,967	142,878	232,289	25,426	580,861
Insurance	256,418	36,492	24,980	3,190	11,463	332,543
Toll tag processing	2,130,368	-	-	-	-	2,130,368
Other	792,203	51,569	46,684	292,834	29,156	1,212,446
Total operating expenses	15,571,300	883,469	849,237	874,373	225,734	18,404,113
Operating income (loss)	10,269,218	374,717	(244,672)	(394,656)	(43,700)	9,960,907
Nonoperating revenues (expenses) and transfers						
Investment earnings	1,946,227	37,856	(1,799)	(1,113)	3,150	1,984,321
Gain on sale of land	875	-	-	-	-	875
Gain (Loss) - Disposal of fixed assets	(238,700)	-	-	-	-	(238,700)
Interest expense:						
Bonds	(7,641,768)	(936,708)	-	-	(40,283)	(8,618,759)
Notes	(1,447,444)	-	-	-	(25,594)	(1,473,038)
Support from localities	-	-	95,000	382,282	-	477,282
Transfers	-	(419,000)	-	-	419,000	-
Total nonoperating revenues (expenses) and transfers	(7,380,810)	(1,317,852)	93,201	381,169	356,273	(7,868,019)
Change in net assets	2,888,408	(943,135)	(151,471)	(13,487)	312,573	2,092,888
Net assets (deficit)-beginning	54,884,314	(17,627,135)	5,649,033	62,182	(175,344)	42,793,050
Net assets (deficit)-ending	$ 57,772,722	$ (18,570,270)	$ 5,497,562	$ 48,695	$ 137,229	$ 44,885,938

See accompanying notes to financial statements

Richmond Metropolitan Authority
Statement of Cash Flows
Year Ended June 30, 2008

	Expressway System	Expressway Parking Deck	Stadium	Main Street Station	Other Non-Major Funds	Total Business Type Activities
Cash flow from operating activities						
Receipts from customers	$ 26,079,260	$ 1,257,922	$ 561,268	$ 498,427	$ 120,968	$ 28,517,845
Receipts from City of Richmond	-	-	-	-	58,700	58,700
Payments to suppliers	(10,110,798)	(296,679)	(541,323)	(714,631)	(128,128)	(11,791,559)
Payments to employees	(4,542,471)	(260,499)	(125,802)	(155,523)	(67,503)	(5,151,798)
Net cash provided by (used in) operating activities	11,425,991	700,744	(105,857)	(371,727)	(15,963)	11,633,188
Cash flows from non-capital financing activities						
Transfers	-	(419,000)	-	-	419,000	-
Receipts from localities	-	-	95,000	306,544	-	401,544
Net cash provided by (used in) non-capital financing activities	-	(419,000)	95,000	306,544	419,000	401,544
Cash flows from capital and related financing activities						
Interest paid on revenue bonds and notes	(6,822,606)	-	-	-	(52,434)	(6,875,040)
Proceeds from sale of bonds	10,000,000					10,000,000
Principal paid on revenue bonds and notes	(6,071,864)	(400,000)	-	-	(400,000)	(6,871,864)
Gain on sale of land	875	-	-	-	-	875
Capital expenditures	(7,622,400)	-	(12,408)	-	-	(7,634,808)
Net cash provided by (used in) capital and related financing activities	(10,515,995)	(400,000)	(12,408)	-	(452,434)	(11,380,837)
Cash flows from investing activities						
Purchase of investment securities	(33,726,317)	-	-	-	(3,498)	(33,729,815)
Proceeds from sale and maturities of investment securities	25,155,597	-	8,270	-	-	25,163,867
Interest received on investing activitie:	1,715,939	37,856	(5,042)	3,308	4,593	1,756,654
Net cash provided by (used in) investing activities	(6,854,781)	37,856	3,228	3,308	1,095	(6,809,294)
Net increase (decrease) in cash	(5,944,785)	(80,400)	(20,037)	(61,875)	(48,302)	(6,155,399)
Cash balances - beginning of the yea	10,935,847	1,350,882	105,963	156,666	126,055	12,675,413
Cash balances - end of the year	$ 4,991,062	$ 1,270,482	$ 85,926	$ 94,791	$ 77,753	$ 6,520,014
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	$ 10,269,218	$ 374,717	$ (244,672)	$ (394,656)	$ (43,700)	$ 9,960,907
Depreciation	-	393,283	271,847	-	72,455	737,585
Changes in assets and liabilities:						
Accounts receivable	235,278	(2,512)	(23,509)	-	(259)	208,998
Prepaids and other	3,463	2,249	6,285	955	2,632	15,584
Accounts payable and accrued liabilities	771,791	(78,116)	(96,020)	3,265	(44,985)	555,935
Unearned revenue	146,241	11,123	(19,788)	18,709	(2,106)	154,179
Net cash provided (used in) operating activities	$ 11,425,991	$ 700,744	$ (105,857)	$ (371,727)	$ (15,963)	$ 11,633,188
Noncash capital, financing and investing activities						
Net change in fair value of investments	$ 221,213	$ -	$ -	$ (5,902)	$ (1,672)	$ 213,639

See accompanying notes to financial statements

Note 1 - Authorizing legislation and description

The Richmond Metropolitan Authority (the Authority) was created in March 1966 by an Act of the General Assembly of the Commonwealth of Virginia for the initial purpose of constructing and operating a toll expressway system to serve the Richmond metropolitan area. In 1973, the Act was amended to authorize the Authority to provide vehicular parking facilities for the Richmond metropolitan area. An additional amendment in 1984 authorized the Authority to acquire land, construct and own a baseball stadium, and to lease such land, stadium, and attendant facilities. In 1992, another amendment authorized the Authority to own and operate sports facilities of any nature including facilities reasonably related thereto and lease such facilities as the Authority may prescribe.

The Authority is empowered to issue revenue bonds which shall be payable from revenues derived from the operation of the facilities. In addition, the Authority is empowered to issue bonds for the purpose of refunding any revenue bonds. Under the provisions of the Act, no bond issue of the Authority, or any interest thereon, is an obligation of the Commonwealth of Virginia or other government entity. The Expressway and Second Street Parking Facility bond resolutions provide that when all related revenue bonds and interest thereon have been paid, the facilities will become the property of the City of Richmond. The resolutions authorizing the issuance of bonds prohibit the commingling of funds of the various enterprises and prescribe the establishment of certain funds and accounts to receive revenues and transfers and make payments in accordance with the prescribed sequence.

The Authority is governed by a Board of Directors consisting of eleven members, six of whom are appointed by the Mayor of the City of Richmond, with the approval of the City Council; two each by the Boards of Supervisors of the Counties of Chesterfield and Henrico. The eleventh member is appointed from the Commonwealth Transportation Board by the Commonwealth Transportation Commissioner. Each director serves for a term of four years. The Authority has no component units.

Note 2 - Basis of presentation

The Authority administers six enterprise funds: the Expressway System, the Expressway Parking Deck, the Stadium Facility, and the Main Street Station are considered major funds. The Second Street Parking Facility and the Carytown Parking Facilities are combined as other non-major funds. The Authority also maintains two sub-funds: the Repair & Contingency, and Central Administration, that are incorporated into the six enterprise funds at year-end. The Repair and Contingency (R&C) sub-fund is used to account for expressway construction and maintenance expenses. The bond indenture requires that the Authority maintain an R&C sub-fund for the purpose of accumulating funds, as determined by our consulting engineers, sufficient to maintain the assets of the Expressway System. Monthly, after satisfying operating and debt service requirements as specified by the bond indenture, the Authority transfers excess funds from the Expressway Revenue Account to the R&C sub-fund. All Expressway System maintenance and construction projects are accounted for in this sub-fund. Qualifying expenses are capitalized in accordance with established policy, while the remaining expenses are reflected in the

Expressway System Statement of Revenues, Expenses, and Change in Fund Net Assets. The Central Administration sub-fund is used to accumulate and allocate central administration expenses. Monthly, budgeted costs are allocated to the six enterprise funds based on an allocation formula established during the annual budget process. At year-end, budgeted allocations are adjusted to reflect actual expenses for the year, which results in zero change in net assets (net income). Any cash remaining in the sub-fund at year-end is reflected in the Expressway System Fund totals.

Note 3 - Significant accounting policies

General - The accounts of the Authority are maintained on the accrual basis of accounting and the economic resources measurement focus.

Restricted assets – The Expressway System bond indenture restricts certain net assets, and accordingly these funds are reflected on the Balance Sheet in there current and non-current components. Restricted assets include bond reserve funds, bond retirement principal and interest accounts, and bond construction funds. These funds are administered and maintained by the Authority's Trustee. Cash and investments reflected in the R&C accounts are not considered restricted.

Cash and cash equivalents – For purposes of the statements of cash flows, only cash on hand and cash balances on deposit and available for immediate withdrawal are considered cash equivalents. Other highly liquid instruments are classified as other short-term investments.

Investments – In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are shown at fair value based on quoted market prices.

Capital assets - Capital assets are stated at cost including, as appropriate, interest and related costs incurred during the construction period. All land and non-depreciable land improvements are capitalized, regardless of cost. Construction in progress consists of costs capitalized in connection with construction of and improvements to facilities. Construction costs also include capitalized interest which totaled approximately $68,276 this year. All expenditures, including equipment and furnishings, are capitalized if they are related to: 1) the construction or occupancy of a new facility; or 2) a major renovation of an existing facility that enhances the efficiency or functionally of the asset. Any expenditure in connection with maintaining an existing facility in good working order is expensed. Other expenditures incidental to an existing facility are capitalized if the cost is over $10,000.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Snow removal, landscaping services, and certain maintenance of the Expressway System were provided without charge by the Virginia Department of Highways and Transportation (VDOT) during FY 2008. However, VDOT will charge for these services beginning July 1, 2008. The Authority is responsible for other maintenance requirements, which are expensed as incurred.

The Authority has elected to use the "modified approach" to account for certain infrastructure assets, as provided in GASB Statement No. 34. Under the modified approach, the Authority does not record depreciation expense nor are amounts capitalized in connection with improvements to these assets, unless the improvements expand the capacity, technology or efficiency of the asset. Utilization of this approach requires the Authority to: 1) commit to maintaining and preserving affected assets at or above a condition level established by the Authority, 2) maintain an inventory of the assets and perform periodic condition assessments to ensure that the condition level is being maintained, and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. Bridges and expressways maintained by the Authority are accounted for using the modified approach.

Depreciation on the Authority's parking garages and stadium facility is computed using the straight-line method over the estimated useful life of 40 years from the date the facility was placed in service.

Net Assets - Net assets are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, contributors, laws and regulations of other governments or imposed by law through State statute.

Deferred financing costs - Deferred financing costs include insurance, legal and other professional fees, and other costs of bond issuance. These amounts are capitalized and amortized over the life of the related bonds (see Note 9).

Operating revenues and expenses - The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expense are those that result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operation. The principal operating revenues of the Authority are charges to customers for transportation and parking. Passenger revenues are recorded as revenue at the time services are performed. Cash received for which services have not been performed at year end are recorded as unearned revenue on the Balance Sheet (statement of net assets).

Pronouncements - As allowed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,* the Authority has elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989.

Deficit Net Assets – At June 30, 2008, two of the funds reflected a deficit in net assets. The Expressway Parking Deck had a deficit in net assets of $18,570,270 which is due primarily to unpaid principal and interest to the City of Richmond relative to the Series 1990 and 1992 bonds that were issued for construction of the Expressway Parking Facility. Under the terms of the bond indenture, the Authority is not in default of the bonds. See Note 9 for a further discussion. The Second Street Parking Facility reflected a deficit in net assets of $1,063,681. The deficit is primarily the result of subordinated debt of $409,500 and $857,706 of accrued interest payable to the City of Richmond. As described in note 10, neither the principal nor the interest on this subordinated debt may be repaid until the outstanding revenue bonds have been retired. Agreements with the City of Richmond recognize and provide for any deficits resulting from the lack of revenue to cover operating costs and debt payments.

Note 4 - Deposits with banks

At June 30, 2008, the carrying amount of deposits with banks was $6,419,531. The bank balance of these deposits at June 30, 2008 was $6,482,424. The difference between the carrying and bank totals is primarily due to outstanding disbursement checks and deposits in transit.

Bank deposits are insured by federal depository insurance, or collateralized in accordance with the Virginia Security for Public Deposits Act. Under the Act, banks holding public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire assets of the collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members of the pool.

The amounts indicated above exclude petty cash and change funds not held by banks of approximately $100,482 at June 30, 2008.

Note 5 – Investments

At June 30, 2008, funds held by the trustee in the amount of $43,697,519 are restricted because their use is limited by the terms of applicable bond covenants. Of this amount, $34,329,076 is classified as current, and $9,368,443 as non-current. Non-restricted investments total $6,716,706, for total investments of $50,414,225.

The chart below reflects the respective credit ratings of these investments:

Investment Type		Fair Value	Credit Rating
Federal agencies:			
Bonds and Notes	$	12,955,510	AAA, Aaa
U.S. Government Obligations - Money Market Funds		30,742,009	AAAm, Aaa
Repurchase Agreements		6,716,706	AAA (Collateral)
Total Investments	$	50,414,225	

Credit risk - The Code of Virginia and other applicable law, the Authority's bond indentures, and the Authority's investment policy adopted by the Board of Directors, limits credit risk by restricting authorized investments to the following: securitized time and certificates of deposit;

obligations of and obligations guaranteed by the Commonwealth of Virginia or any of its counties, towns, districts, authorities, or other public bodies; obligations of and obligations guaranteed by the United States or certain of its agencies; "prime" quality commercial paper; shares of any investment company the assets of which are invested exclusively in the aforementioned instruments; and certain other instruments of specified quality and rating as dictated by the resolutions. Not all investment types are available to each of the enterprises due to the specifications of the individual bond indentures. All credit ratings indicated in the table above were published by Standard & Poors and Moody's Investors Services ratings.

Interest rate risk - As a means of limiting exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the investment of funds to investments with a stated maturity of no more than five years from the date of purchase.

At June 30, 2008, the fair values and investment maturities (excluding repurchase agreements in the amount of $6,716,706) were are as follows:

		Investment Maturities (in years)		
	Fair Value	Less than 1 year	1-2 years	3-4 years
Federal Agencies:				
Bonds and notes	$ 12,955,510	$ 3,587,068	$ 343,599	$ 9,024,843
U.S. Treasury:				
Market funds	30,742,009	30,742,009	-	-
Total Investments	$ 43,697,519	$ 34,329,077	$ 343,599	$ 9,024,843

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 limitation on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk. At June 30, 2008, the Authority's investment portfolio consisted of the following:

Issuer	**% of Portfolio**
Federal Government Money Market	70.5%
Federal Home Loan Bank - FHLB	6.0%
Federal Home Loan Mortgage Corporation – Freddie Mac	10.1%
Federal National Mortgage Association – Fannie Mae	13.4%

Custodial credit risk - The Code of Virginia and the Authority's investment policy permit investments in open repurchase agreements that are collateralized with securities that are approved for direct investment. The Authority's investment portfolio includes $6,716,706 in open repurchase agreements, collateralized with $6,960,000 par of US Treasury Securities and held by the investment's counterparty, in the name of the Authority.

Note 6 – Receivables

Receivables at June 30, 2008 for the Authority's major and non-major funds are as follows:

	Expressway System	Expressway Parking Deck	Stadium	Main Street Station	Other Non-Major Funds	Total
Receivables:						
Due from state and local governments	$ 6,494	$ -	$ 19,792	$ 70,386	$ -	$ 96,672
Accounts	160,126	2,544	13,975	5,352	642	182,639
Total receivables	$ 166,620	$ 2,544	$ 33,767	$ 75,738	$ 642	$ 279,311

Note 7 – Payables

Payables at June 30, 2008 for the Authority's major and non-major funds are as follows:

	Expressway System	Expressway Parking Deck	Stadium	Main Street Station	Other Non-Major Funds	Total
Payables:						
Due to state and local governments	$ 168,983	$ 559	$ 9,835	$ 3,301	$ 152	$ 182,830
Salaries and employee benefits	639,701	46,649	17,197	2,989	12,446	718,982
Accounts	2,998,511	23,264	28,208	97,016	3,905	3,150,904
Total payables	$ 3,807,195	$ 70,472	$ 55,240	$ 103,306	$ 16,503	$ 4,052,716

Note 8 - Long-term liabilities

	June 30, 2007	Additions	Reductions	June 30, 2008	Due Within One Year
Bonds payable:					
Expressway System - 1992 bonds	$ 6,390,000	$ -	$ 705,000	$ 5,685,000	$ 765,000
Expressway System - 1998 bonds	75,390,000	-	2,815,000	72,575,000	2,925,000
Expressway System - 1999 bonds	9,425,000	-	1,275,000	8,150,000	1,350,000
Expressway System - 2000 bonds	1,700,000	-	380,000	1,320,000	400,000
Expressway System - 2002 bonds	27,610,000	-	25,000	27,585,000	25,000
Expressway System - 2005 New Money bonds	6,998,000	-	39,000	6,959,000	40,000
Expressway System - 2006 bonds	10,000,000	-	439,000	9,561,000	475,000
Expressway System - 2008 bonds	-	10,000,000		10,000,000	-
Second Street Parking Facility - 1974 bonds	1,025,000	-	400,000	625,000	25,000
Expressway Parking Deck - 1990 bonds	16,500,000	-	-	16,500,000	2,500,000
Expressway Parking Deck - 1992 bonds	2,375,000	-	-	2,375,000	1,875,000
Less deferred amounts:					
For issuance discounts	(30,578)	-	(6,019)	(24,559)	(3,037)
On refunding	(9,998,724)	-	(710,504)	(9,288,220)	(710,504)
Plus deferred amounts:					
For issuance premiums	2,225,377	-	250,612	1,974,765	234,160
Total bonds payable	149,609,075	10,000,000	5,612,089	153,996,986	9,900,619
Subordinated notes payable:					
Expressway System	22,772,022	-	-	22,772,022	-
Second Street Parking Facility	409,500	-	-	409,500	-
Total subordinated notes payable	23,181,522	-	-	23,181,522	-
Accrued interest	47,561,344	5,733,091	3,845,416	49,449,019	3,186,821
Compensated absences	535,882	33,718	-	569,600	569,600
Total long-term liabilities	$ 220,887,823	$ 15,766,809	$ 9,457,505	$ 227,197,127	$ 13,657,040

Note 9 - Bonds payable

Expressway System - Series 1992 Bonds

Expressway system - Revenue bonds in the principal amount of $157,620,000 were issued under terms of a bond resolution dated May 13, 1992. These bonds were issued in order to satisfy the outstanding obligations on previously issued bonds, fund the third phase of the Expressway System Improvement Project, fund the purchase and construction of certain facilities and equipment, and accomplish certain other objectives. These bonds were issued in serial and term maturities bearing interest at rates ranging from 3.30% to 8.50% per annum.

Certain of the 1992 bonds were advance refunded or defeased in 1996, 1998, 1999, 2000 and 2002. The Authority had the option to redeem certain of the bonds at any time beginning in July 2002. During fiscal year 2003, the Authority redeemed all of the outstanding 1992 bonds that had been advance refunded or defeased. The 1992 bonds which have not been redeemed are subject to mandatory redemption at par plus accrued interest through the final maturity date in July 2013.

The outstanding balance of the Series 1992-C Bonds at June 30, 2008 was $5,685,000. Debt service requirements on the 1992 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ 765	$ 451	$ 1,216
2010	830	383	1,213
2011	900	309	1,209
2012	980	230	1,210
2013	1,060	143	1,203
2014	1,150	49	1,199
	$ 5,685	$ 1,565	$ 7,250

Expressway System - Series 1998 Bonds

Revenue bonds in the principal amount of $80,705,000 were issued under terms of a bond resolution dated March 15, 1998 in order to advance refund $76,725,000 of the then outstanding 1992 bonds. These bonds mature in various years through July 15, 2022, and bear interest at rates ranging from 3.65% to 5.25% per annum. Certain of the 1998 bonds are subject to mandatory redemption at par plus accrued interest beginning in July 2013 continuing through the final maturity date in July 2022.

The outstanding balance of the Series 1998 Bonds at June 30, 2008 was $72,575,000. Debt service requirements on the 1998 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ 2,925	$ 3,733	$ 6,658
2010	3,080	3,576	6,656
2011	3,245	3,410	6,655
2012	3,430	3,235	6,665
2013	3,595	3,050	6,645
2014 – 2018	24,275	11,804	36,079
2019 – 2023	32,025	4,336	36,361
	$ 72,575	$ 33,144	$ 105,719

The unamortized original issue premium and the unamortized deferred refunding amount related to the 1998 bonds were $924,798 and $6,431,830, respectively, at June 30, 2008.

Expressway System - Series 1999 Bonds

Revenue bonds in the principal amount of $10,000,000 were issued under terms of a bond resolution dated February 5, 1999. These bonds mature annually on July 15 through 2012, and bear interest at 4.17% per annum. The 1999 bonds are subject to optional redemption at par plus accrued interest at any time.

The outstanding balance of the 1999 bonds at June 30, 2008 was $8,150,000. Debt service requirements on the 1999 bonds are scheduled as follows (in thousand's):

Fiscal Year	Principal	Interest	Total
2009	$ 1,350	$ 312	$ 1,662
2010	1,400	254	1,654
2011	1,460	195	1,655
2012	1,920	124	2,044
2013	2,020	42	2,062
	$ 8,150	$ 927	$ 9,077

Unamortized deferred refunding costs relative to the Expressway 1999 bonds was $267,650 at June 30, 2008.

Expressway System - Series 2000 Bonds

Revenue bonds in the principal amount of $8,400,000 were issued under terms of a bond resolution dated October 15, 2000. In fiscal year 2006, $6,459,000 of bonds maturing July 15, 2013 through 2022 was defeased through proceeds of 2005 revenue and refunding bonds. Remaining bonds mature annually through July 15, 2013 and bear interest ranging between 4.50% and 5.00% per annum. Bonds maturing on or after July 15, 2011 may be redeemed at par plus up to 1% and accrued interest beginning July 15, 2010.

The outstanding balance of the 2000 bonds at June 30, 2008 was $1,320,000. Debt service requirements on the 2000 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ 400	$ 52	$ 452
2010	420	33	453
2011	440	13	453
2012	30	2	32
2013	30	1	31
	$ 1,320	$ 101	$ 1,421

The unamortized original issue discount and the unamortized deferred refunding amount related to the Expressway 2000 bonds were approximately $755 and $89,796, respectively, at June 30, 2008.

Expressway System - Series 2002 Bonds

Revenue bonds in the principal amount of $28,430,000 were issued under terms of a bond resolution dated April 15, 2002. These bonds mature annually through July 15, 2022 and bear interest ranging between 3.5% and 5.25% per annum. The Series 2002 bonds may not be redeemed until maturity.

The outstanding balance of the 2002 bonds at June 30, 2008 was $27,585,000. Debt service requirements on the 2002 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ 25	$ 1,448	$ 1,473
2010	25	1,446	1,471
2011	30	1,445	1,475
2012	30	1,443	1,473
2013	30	1,442	1,472
2014 – 2018	11,810	5,758	17,568
2019 – 2023	15,635	2,138	17,773
	$ 27,585	$ 15,120	$ 42,705

The unamortized original issue premium and unamortized deferred refunding amount related to the 2002 Expressway bonds were $1,049,967 and $1,593,564, respectively, at June 30, 2008**.**

Expressway System - Series 2005 Bonds

Revenue and refunding bonds in the principal amount of $7,051,000 were issued to establish an irrevocable trust to provide resources for all future debt service payments for a $6,495,000 portion of the 2000 Revenue Bonds. As a result, the refunded 2000 bonds are considered to be defeased, and the liability has been removed from the statement of net assets. The reacquisition price exceeded the carrying value of the old debt by $ $1,089,046. This amount is being netted against the new debt, and is amortized over the life of the new debt issued, which is shorter than the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments by $569,000 over the next 16 years, resulting in an economic gain (present value savings) of $423,000. Bonds maturing on or after July 15, 2018 are subject to optional redemption.

The outstanding balance of the 2005 bonds at June 30, 2008 was $6,959,000. Debt service requirements on the 2005 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ 40	$ 255	$ 295
2010	44	254	298
2011	45	252	297
2012	45	251	296
2013	50	249	299
2014 – 2018	3,015	977	3,992
2019 – 2023	3,720	352	4,072
	$ 6,959	$ 2,590	$ 9,549

The unamortized deferred refunding amount related to the 2005 bonds was $905,380 at June 30, 2008.

Expressway System - Series 2006 Bonds

Revenue bonds in the principal amount of $10,000,000 were issued under terms of a bond resolution dated June 20, 2006. These bonds mature annually July 15, 2007 through July 15, 2022 and bear interest at 4.06% per annum. The Series 2006 bonds maturing on or before July 15, 2017 may not be redeemed until maturity. Bonds maturing on or after July 15, 2018 may be redeemed at par plus up to 2% and accrued interest beginning July 17, 2017.

The outstanding balance of the 2006 bonds on June 30, 2008 was $9,561,000. Debt service requirements on the 2006 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ 475	$ 379	$ 854
2010	495	359	854
2011	515	338	853
2012	536	317	853
2013	557	295	852
2014 – 2018	3,146	1,108	4,254
2019 – 2023	3,837	402	4,239
	$ 9,561	$ 3,198	$ 12,759

Expressway System - Series 2008 Bonds

Revenue bonds in the principal amount of $10,000,000 were issued under terms of a bond resolution dated April 15, 2008. These bonds mature annually July 15, 2009 through July 15, 2022, and bear interest at 3.21% per annum.

The outstanding balance of the 2008 bonds at June 30, 2008 was $10,000,000. Debt service requirements on the 2008 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ -	$ 227	$ 227
2010	516	313	829
2011	599	295	894
2012	619	275	894
2013	638	255	893
2014 – 2018	3,513	950	4,463
2019 – 2023	4,115	339	4,454
	$ 10,000	$ 2,654	$ 12,654

Expressway System - Defeased Bonds

At June 30, 2008, outstanding bonds in the amount of $51,700,000 are considered defeased. Investments and cash are held in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liabilities for defeased bonds are not included in the accompanying financial statements.

Expressway System - Escrow Asset

Funds transferred from the Expressway revenue account for early retirement of defeased bonds, as required by the 1992 bond resolution, totaled $77,000 in fiscal year 2008. The escrow receivable was established to reflect amounts to be received from the escrow account once all previously issued bonds are repaid.

Expressway System - Arbitrage

At June 30, 2008 only the Expressway series bonds are subject to federal arbitrage regulations. To ensure compliance with the IRS regulations regarding arbitrage rebates, all Expressway bond issues are reviewed annually by the firm of Bingham Arbitrage Rebate Services Incorporated. At June 30, 2008, none of the bond series is accruing an arbitrage rebate liability.

Second Street Parking Facility – Series 1974 Bonds

Second street parking facility - Revenue bonds in the principal amount of $1,800,000 were issued under terms of a bond resolution dated July 16, 1974. On August 31, 2001, the bond agreement was modified to defer the payment of principal during fiscal years 2003 through 2006 to a future period. The modified repayment schedule is detailed below. These bonds mature each July beginning 2007 through 2014 and bear interest at a rate of 6.00% per annum.

The outstanding balance at June 30, 2008 was $625,000. Debt service requirements on the 1974 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2009	$ 25	$ 37	$ 62
2010	85	33	118
2011	95	28	123
2012	95	23	118
2013	105	16	121
2014 – 2015	220	14	234
	$ 625	$ 151	$ 776

The revenues derived from the operation, ownership, and management of the Second Street Parking Facility are pledged to the payment of the revenue bonds.

Expressway Parking Deck – Series 1990 Bonds

Revenue bonds in the principal amount of $16,500,000 were issued to the City of Richmond under terms of a bond resolution dated November 20, 1990. These bonds mature annually each January through 2020 and bear interest at rates ranging from 6.35% to 7.00% per annum. The bonds are subject to optional redemption at 100% to 102% of face value.

The outstanding balance at June 30, 2008 was $16,500,000. Debt service requirements on the 1990 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
Unpaid in prior years	$ 1,965	$ 8,947	$ 10,912
2009	535	1,016	1,551
2010	645	979	1,624
2011	725	935	1,660
2012	850	884	1,734
2013	950	825	1,775
2014 – 2018	6,895	2,936	9,831
2019 – 2020	3,935	420	4,355
	$ 16,500	$ 16,942	$ 33,442

The unamortized original issue discount related to these bonds amounted to $23,804 at June 30, 2008.

Expressway Parking Deck – Series 1992 Bonds

Revenue bonds in the principal amount of $2,500,000 were issued to the City of Richmond under terms of a bond resolution dated November 13, 1992. These bonds are scheduled to mature annually each July through 2008 with the remaining amount due in 2013. These bonds bear interest at rates ranging from 4.50% to 6.40% per annum.

The outstanding balance at June 30, 2008 was $2,375,000. Debt service requirements on the 1992 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
Unpaid in prior years	$ 1,750	$ 1,430	$ 3,180
2009	125	36	161
2010	125	28	153
2011	125	22	147
2012	125	14	139
2013	125	0	125
	$ 2,375	$ 1,530	$ 3,905

The revenues derived from the operation, ownership, and management of the Expressway Parking Deck are pledged to the payment of the bonds.

The scheduled principal and interest payments on the above 1990 and 1992 bonds of the Expressway Parking Deck were not made in full for fiscal years 1995 through 2008 due to insufficient cash flows. The Authority made a partial interest payment to the City of Richmond in 2008 in the amount of $400,000, and another payment of $650,000 in July 2008. Annual interest payments to the City are applied to the outstanding balance of the 1990 bonds first, followed by the 1992 debt. Under the terms of a bond resolution, dated November 20, 1990, a default on the 1990 and 1992 bonds has not occurred. The above “unpaid in prior years” totals reflect the accumulative sum of unpaid principal and interest amounts as noted on the respective 1990 and 1992 bond amortization schedules.

Note 10 - Subordinated notes payable

Expressway system - The following 50-year subordinated notes have been issued to the City of Richmond:

	Due Date		June 30, 2008 Amount
6.25%	July 11, 2025	$	1,720,300
5.82%	July 12, 2026		1,933,759
5.04%	January 15, 2027		4,780,000
5.04%	July 12, 2027		817,534
5.04%	July 12, 2028		1,849,996
5.04%	July 12, 2029		2,844,358
6.67%	July 15, 2030		1,965,000
6.67%	February 12, 2032		1,103,600
11.72%	July 15, 2032		375,000
7.43%	July 12, 2033		276,230
8.18%	January 10, 2034		276,229
6.08%	July 10, 2037		2,362,277
7.12%	July 9, 2038		1,164,535
7.37%	July 13, 2039		1,190,940
6.78%	July 3, 2041		112,264
		$	22,772,022

In 1970, the Authority and the City of Richmond entered into a contract requiring the Authority to issue subordinated notes to the City for all amounts paid into the Reserve Fund by the City. The contract also required the Authority to issue subordinated notes to the City equal to the value of all easements, permits, licenses or other interests in land conveyed by the City to the Authority for use by the Authority as part of the Expressway System. The contract provides for the payment of the notes and interest prior to maturity, subject to certain requirements as specified in the bond documents.

The Authority made a $77,000 interest payment relative to the subordinated notes in fiscal year 2008. Excluding the July 2008 payment, accrued interest relative to the subordinated debt totaled $35,028,006 at June 30, 2008, for a total outstanding principal and interest balance of $57,800,028.

Second Street parking facility - A subordinated note in the amount of $409,500 was issued to the City of Richmond in December 1974 relative to the conveyance of land for the construction of the second street parking facility. This note bears interest at 6.25% per annum and is due in December 2014. Neither the principal nor the interest on this note may be repaid until the revenue bonds have been retired (see Note 9). Accordingly, no interest payments have been made on the note. The Authority has recorded accrued interest related to this note of approximately $857,706 at June 30, 2008.

Note 11 - Transactions with the City of Richmond and localities

Carytown Parking Facilities – In 1991, the Authority signed two separate agreements with the City of Richmond for the rental and operation of the Carytown Parking Facilities. Under the terms of the agreements, the Authority agreed to operate and manage the two Carytown Parking Facilities, and the City agreed to provide the Authority with funds sufficient to carry out all responsibilities as define in the two agreements. Annually, the Authority submits estimates of costs to be incurred to operate and manage the facilities. The City pays the Authority one-fourth of the estimated amount for operations quarterly. Payments totaling $58,700 for operations were received from the City during fiscal year 2008 and are reported as operating revenues in the Statement of Revenue, Expenses, and Changes in Fund Net Assets.

Stadium Facility - Under the terms of a Moral Obligation Agreement with the City of Richmond, and the counties of Chesterfield and Henrico, the Authority submits information to each of the localities annually showing the estimated difference between net revenues available to the Authority from the Stadium Facility, and the debt service requirements with respect to the Stadium revenue bonds. Based on this information and the Authority's request for funds to meet debt service requirements and other Stadium Facility Fund needs, the localities may, but are not legally bound to, appropriate money to the Authority for such purposes. In addition, pursuant to the Moral Obligation Agreement, the City of Richmond may appropriate to the Authority the estimated total taxes payable with respect to admission tickets sold for events held at the Stadium Facility. For fiscal year 2008, the Authority has received $95,000 from the City of Richmond relative to prior year admissions tax at the Diamond. There were no other contributions from the participating localities. Currently, there is no outstanding bonded indebtedness on the facility.

Main Street Station- In June 2003, the City of Richmond completed the renovation of Main Street Station and related parking lots. The RMA was requested by the City to provide management services for both the station and parking facilities. The City agreed to pay all operating expenses in excess of revenues associated with the RMA's management of the facility. The RMA is not responsible for any facility debt.

Note 12 - Defined benefit pension plan

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

Virginia. The VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. A copy of that report may be obtained by writing to VRS at P.O. Box 2500, Richmond, VA 23218-2500.

The funding policy provides that plan members contribute 5% of their annual reported compensation to the VRS. This contribution is paid by the Authority on behalf of the employees. In addition, the Authority is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The Authority contributed 9.34% of annual covered payroll in 2008, which includes the employee's 5% share. The amount of the contribution the Authority is required to make each year is based on VRS actuarial valuations. The valuations take into account the provisions of the VRS that are applicable to local government units on the valuation date, VRS census data, and assumptions regarding investment rates of return and cost-of living adjustments. Future valuations may therefore result in a change to the required contribution rate.

For 2008, the Authority's annual pension cost of $370,517 (9.34% of covered payroll) was equal to the Authority's required and actual contributions. The required contribution rate was determined as part of the June 30, 2006 actuarial valuation using the Entry Age Normal actuarial cost method.

Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	$ 370,517	100%	–
2007	356,447	100	–
2006	237,766	100	–

Significant actuarial assumptions used include a rate of return on the present and future assets of 7.5% per annum compounded annually, projected salary increases ranging from 3.75% to 5.60%, and 2.5% per year cost of living adjustments. Both the investment rate of return and the projected salary increase rate include an inflation rate of 2.5%. The actuarial value of assets was determined using the modified market valuation method. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2008 is 20 years. The table below reflects funding progress.

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Funding Excess of AAL (FEAAL)	Funded Ratio	Annual Covered Payroll	FEAAL as % of Payroll
	(a)	(b)	(a) – (b)	(a)/(b)	(c)	((a-b)/c)
June 30, 2007	$ 10,559,143	$ 10,137,391	$ 421,752	104.16%	$ 3,756,589	11.23%

Note 13 - Other post-employment benefits

On July 1, 2007 the RMA amended its retiree medical benefit plan to include three tiers. The employee's hire date determines which tier governs future benefits. To participate in these plans an employee must have retired from the RMA in good standing, must be at least 60 years of age, and must continue to participate in the RMA medical plan upon retirement. Spouses are eligible for all three tiers, provided they were enrolled in the RMA medical plan for at least two years prior to the date of retirement. With the exception of the first tier, retirees are responsible for 100 percent of monthly premium relative to their spouse. For FY 2008, the combined premium expense for the three tiers totaled approximately $57,508.

The third tier is applicable to employees with at least 25 years of RMA service, and who were promoted or hired to a full-time position on or after July 1, 2007. Those eligible retirees who participate in the RMA health plan will receive a monthly contribution credit of $6.00 for each year of full-time RMA service. As of June 30, 2008, no employees qualify for this tier.

The second tier plan is applicable to those employees who were hired or promoted to a full-time position between the dates of July 1, 1998 to June 30, 2007, and have obtained 25 or more years of RMA service. This plan provides a monthly contribution credit that is based on a graduated benefit scale from 25 to 100 percent, depending on the number of service years. As of June 30, 2008, 1 employee qualifies for this tier.

The first tier retiree medical benefit plan is reserved for employees hired prior to July 1, 1998. These retirees must have at least ten years of RMA service. The RMA will pay 100 percent of the employee's and fifty percent of the spouse's monthly premium, less a $15 per month retiree contribution. As of June 30, 2008, 11 employees qualify for this tier.

In June 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension (OPEB). This statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and required supplementary information. As the Authority is a Phase II government, this statement is effective for fiscal periods beginning after December 15, 2007 (i.e. fiscal year 2009). The Authority is prepared to implement this statement in FY 2008-09.

Note 14 - Risk management

The Authority, through the operation of the Expressway System, the vehicular parking facilities, the Stadium, and Main Street Station is exposed to the risk of loss due to the wide range of services provided by its employees. Auto fleet coverage, general liability, property damage, building and contents, bridge, inland marine, boiler and machinery, dishonesty bond (crime), and workers' compensation are obtained through membership in the Virginia Municipal League. Public officials and employees legal liability coverage is also obtained through membership in the Virginia Municipal League. Members are liable for any and all unpaid claims in the event the association is in a deficit position. No settlements have exceeded coverage limits during the three years ended June 30, 2008.

Note 15 – Leases

Stadium – Since 1985 the Richmond Braves, a triple-A minor league baseball team of the Atlanta Braves, has leased the Diamond, a stadium facility owned and operated by the Richmond Metropolitan Authority.

During 2008, the Atlanta Braves notified the Richmond Metropolitan Authority of their plans to move their triple-A team to Gwinnett County, Georgia. See footnote 19 for additional information.

Main Street Station –The City of Richmond leases approximately 12,203 square feet of office space in the Main Street Station to a local company. Rental payments are made directly to the RMA and are reflected in the enclosed financial statements. The agreement was effective December 1, 2006, and terminates November 30, 2011. The future minimum lease payments under this agreement are as follows:

Fiscal Year	Amount
2009	$ 190,497
2010	200,884
2011	206,911
2012	87,272

Office Space Rental - The Authority leases its administrative offices under an operating lease agreement expiring in April 2011. Future minimum lease payments are approximately as follows:

Fiscal Year	Amount
2009	$ 130,700
2010	134,600
2011	115,000

Rent expense on all leases amounted to approximately $144,083 in 2008.

Note 16 – Contingencies

In the normal course of operations, the Authority has commitments, contingent liabilities, lawsuits, and claims, primarily related to the Expressway System. Management of the Authority does not expect that any amount it may have to pay in connection with any of these matters would have a material adverse effect on the combined financial position of the Authority or any of the individual enterprise funds.

Note 17 - Capital assets

The following schedule summarizes the capital asset activities of the Authority for the fiscal year ended June 30, 2008:

	June 30, 2007	Additions	Deletions	June 30, 2008
Capital assets, not being depreciated:				
Land	$ 1,628,981	$ -	$ -	$ 1,628,981
Expressway System	169,201,823	18,091,495	(241,356)	187,051,962
Boulevard Bridge	9,777,483	-	-	9,777,483
Construction in progress	13,823,756	7,637,464	(21,461,220)	-
Total capital assets, not being depreciated	194,432,043	25,728,959	(21,702,576)	198,458,426
Capital assets, being depreciated:				
Powhite Administration Building	-	2,900,621	-	2,900,621
Parking Garages	18,629,531	-	-	18,629,531
Stadium Facility	9,662,749	469,104	-	10,131,853
Total capital assets, being depreciated	28,292,280	3,369,725	-	31,662,005
Less accumulated depreciation for:				
Parking Garages	(7,889,926)	-	(465,738)	(8,355,664)
Stadium Facility	(5,041,342)	-	(271,847)	(5,313,189)
Total accumulated depreciation	(12,931,268)	-	(737,585)	(13,668,853)
Total capital assets, being depreciated, net	15,361,012	3,369,725	(737,585)	17,993,152
Total capital assets, net	$ 209,793,055	$ 29,098,684	$ (22,440,161)	$ 216,451,578

Depreciation expense for the year ended June 30, 2008 related to capital assets was $737,585. The Authority has elected to use the "modified approach" to account for certain Expressway System infrastructure assets. Consequently, these assets are not depreciated (See Note 3, Capital Assets).

Note 18 - Segment Information for Enterprise Funds

All Authority operations are considered separate enterprise funds, which are intended to be supported through user fees charged for service to the public and assessments charged to the City of Richmond and certain localities. The Second Street Parking Facility and the Carytown Parking Facilities are reported combined as non-major funds. Segment information is provided below for the Second Street Parking Facility based on revenues pledged for payment of debt.

Condensed statement of net assets	
Assets:	
Current assets	$ 82,217
Capital assets	773,110
Total assets	855,327
Liabilities:	
Current liabilities	51,802
Noncurrent liabilities	1,867,206
Net assets (deficit):	
Invested in capital assets, net of related debt	(261,390)
Restricted	27,574
Unrestricted	(829,865)
Total liabilities and net assets	$ (855,327)
Condensed statement of revenues, expenses and changes in net assets	
Operating revenues	$ 123,334
Depreciation	(42,247)
Other operating expenses	(95,359)
Operating income (loss)	(14,272)
Nonoperating revenue (expenses):	
Net investment earnings	311
Interest expense	(65,877)
Transfers	419,000
Change in net assets	339,162
Beginning net assets (deficit)	(1,402,843)
Ending net assets (deficit)	$ (1,063,681)
Condensed statement of cash flows	
Net cash provided by:	
Operating activities	$ 15,717
Capital financing activities	(33,434)
Investing activities	(1,744)
Net increase (decrease)	(19,461)
Beginning cash and cash equivalents	28,188
Ending cash and cash equivalents	$ 8,727

Note 19 – Subsequent Events

- Subsequent to June 30, 2008, the RMA launched the latest advancement in electronic toll collection technology with the opening of the Open Road Tolling (ORT) lanes on the Powhite Parkway. ORT is a barrier free system that provides for electronic toll collection under normal highway driving conditions. The south bound lanes opened August 10, 2008, followed by the north bound lanes on September 6, 2008.

- At their March 18, 2008 Board meeting, the RMA Board made the difficult decision to increase toll rates for the first time since 1998. On September 8, 2008, tolls on the Downtown Expressway and Powhite Parkway will increase from $0.50 for cash, and $0.45 for EZ-Pass, to $0.70 for both cash and EZ-Pass. Tolls on the Boulevard Bridge and ramps will also increase.

- During 2008, the Atlanta Braves notified the Richmond Metropolitan Authority of their plans to move their triple-A team to Gwinnett County, Georgia. The future of baseball at the Diamond for the 2009 session is uncertain, and is dependent on many variables such as negotiations with Minor League Baseball for a replacement team. A group comprised of regional government leaders has been established to coordinate development and recruitment efforts on behalf of the Richmond metropolitan area. Negotiations with Minor League Baseball could not proceed until receipt a formal notice of termination from the Atlanta Braves, which was received by the Authority on September 2, 2008.

Required Supplementary Information (Unaudited)

RICHMOND METROPOLITAN AUTHORITY

Required Supplementary Information (Unaudited)
Year Ended June 30, 2008

Defined Benefit Pension Plan

The following information was provided to the Authority by Wachovia Retirement Services actuaries for the Virginia Retirement System, as part of the June 30, 2007 actuarial valuation. This information, which has not been audited by independent auditors, is summarized below:

Schedule of Funding Progress
June 30, 2008

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Funding Excess of AAL (FEAAL)	Funded Ratio	Annual Covered Payroll	FEAAL as % of Payroll
	(a)	(b)	(a) – (b)	(a)/(b)	(c)	((a-b)/c)
June 30, 2007	$ 10,559,143	$ 10,137,391	$ 421,752	104.16%	$ 3,756,589	11.23%
June 30, 2006	9,241,400	9,236,911	4,489	100.05%	3,588,042	0.13%
June 30, 2005	8,593,066	8,863,701	(270,635)	96.95%	3,527,604	-7.67%

Modified Approach for Reporting Infrastructure

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Authority has adopted an alternative approach in lieu of recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the Authority expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 45.91 lane miles of roads and 36 bridges (spans in excess of 20 feet) that the Authority is responsible to maintain.

In order to utilize the modified approach, the Authority is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the Authority.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Results of Last Five Condition Assessments

The Authority assesses condition on a calendar year basis. The following table reports the percentage of pavement meeting the ratings in Groups 1 – 4. Calendar year 2003 is the first year of pavement inspection utilizing the Pavement Condition Rating System. For more detail about the rating system see the Notes to Required Supplementary Information.

Fiscal Year	Rating: Group 1	Group 2	Group 3	Group 4
2008	59.0%	41.0%	0.0%	0.0%
2007	57.9%	42.1%	0.0%	0.0%
2006	66.2%	33.8%	0.0%	0.0%
2005	74.0%	26.0%	0.0%	0.0%
2004	72.9%	26.5%	0.6%	0.0%

Budgeted and Estimated Costs Last Five Years

The following table presents the Authority's estimate of spending necessary to preserve and maintain the roads and bridges at, or above, the Established Condition Level and the actual amount spent during the past five fiscal years. The Established Condition Level for the Authority's roads and bridges is described in the Notes to Required Supplementary Information.

Fiscal Year	Estimated Spending	Actual Spending
2007-2008	$ 2,500,000	$ 4,864,531
2006-2007	2,000,000	2,155,535
2005-2006	2,000,000	2,769,000
2004-2005	2,000,000	2,797,000
2003-2004	2,000,000	1,927,000

The budgeting process utilized by the Authority results in spending in one fiscal year from amounts that were certified by HNTB as necessary in a previous year(s). Therefore, this timing difference does not allow a true comparison of amounts budgeted and spent within a given year. This table and other tables within this narrative demonstrate that the Authority has incurred the necessary expenditures to meet its desired condition levels.

For more detail about the actual spending to preserve and maintain the Authority's roads and bridges, see the Notes to Required Supplementary Information.

Notes to Required Supplementary Information

Roads - Measurement Scale

The Authority, upon recommendation by HNTB, has adopted the proposed asphalt specific Washington State Department of Transportation (WSDOT) Pavement Condition Rating (PCR) System as a guide. Since the surface pavement of the Authority's expressway system is composed entirely of asphalt, HNTB generated a condition rating for defined segments of the expressway system. A PCR rating will fall into one of four distinct Treatment Groups with each having corresponding maintenance strategies and potential treatments.

Treatment Groups	Pavement Surface Description	Potential Recommended Maintenance Strategies and Treatments
Group 1 PCR Between 75 -100	Excellent Condition to Very Good Condition	No Action to Preventative Maintenance Including: Crack Sealing; Isolated Patches
Group 2 PCR Between 50 – 74	Very Good Condition to Good Condition	Preventative Maintenance to Light Rehabilitation Including: Crack Sealing; Shallow Patches; Deep Patches; Scarify and Thin Overlay.
Group 3 PCR Between 25 – 49	Good Condition to Fair Condition	Preventative Maintenance to Moderate Rehabilitation Including: Crack Sealing; Shallow Patches; Deep Patches; Thin Overlay; Thick Overlay; Scarify and Overlay; Mill and Overlay.
Group 4 PCR Between 0 – 24	Poor Condition	Heavy Rehabilitation to Reconstruction: Mill and Overlay; Total Reconstruction

Established Condition Level

The Authority's maintenance policy requires asphalt pavement be maintained at optimum levels and that no subsection PCR score is less than 40.

Bridges - Measurement Scale

The Authority utilizes the following scale to monitor the condition of the 36 bridges under its jurisdiction. The scale rates bridges, including the deck, superstructure and substructure, using a 10-point scale:

Rating	Description
9	Excellent (no specific definition).
8	Very good.
7	Good. Some minor problems.
6	Satisfactory. Structural elements show some minor deterioration.
5	Fair. All primary structural elements are sound but may have minor section loss, cracking, spalling, or scour.
4	Poor. Advanced section loss, deterioration, spalling, or scour.
3	Serious. Loss of section, deterioration, spalling, or scour have seriously affected primary structural components. Local failures are possible. Fatigue cracks in steel or shear cracks in concrete may be present.
2	Critical. Advanced deterioration of primary structural elements. Fatigue cracks in steel or shear cracks in concrete may be present or scour may have removed substructure support. Unless closely monitored it may be necessary to close the bridge until corrective action is taken.
1	Imminent failure. Major deterioration or section loss present in critical structural components or obvious vertical or horizontal movement affecting structure stability. Bridge is closed to traffic, but corrective action may put it back in light service.
0	Failure. Out of service; beyond corrective action

Established Condition Level

None of the Authority’s bridges shall be rated as “structurally deficient.”

Assessed Conditions

“Structurally deficient” results when a condition of 4 or worse is assessed to at least one of the major structural elements (e.g. the deck, superstructure, or substructure). The following table reports the percentage of bridges whose condition was assessed as “structurally deficient,” in the stated year. A complete inspection of the Authority’s bridges is accomplished on a biennial basis.

Calendar Year	Structurally Deficient
2008	0%
2006	0%
2004	0%
2002	0%

Budgeted and Estimated Costs, Last Five Years

- Expenditures during fiscal year 2004 decreased from $3.6 million to $1.9 million due to less expenditure for electronic toll collection transponders.

- Expenditures during fiscal year 2005 increased from $1.9 million to $2.8 million due to an increase in consulting fees in connection with the biennial inspection of the Expressway and increased expenditures for electronic toll collection transponders.

- Expenditures during fiscal year 2006 remained consistent with previous years' routine maintenance requirements.

- Expenditures during fiscal year 2007 remained consistent with previous years' routine maintenance requirements.

- Fiscal year 2008 expenses increased $2,708,996. This increase was directly related to normal maintenance costs, and costs associated with the opening of the express lanes on the Powhite Parkway.

Supplementary Information

Richmond Metropolitan Authority
Non-Major Funds
Combining Balance Sheet
June 30, 2008

	Second Street Facility	Carytown Facilities	Total Non-major Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 8,727	$ 69,026	$ 77,753
Restricted investments held by trustee	47,737	-	47,737
Other short-term investments	24,885	-	24,885
Accrued interest receivable	609	-	609
Receivables	259	383	642
Total current assets	82,217	69,409	151,626
Noncurrent Assets:			
Capital assets:			
Land	435,000	447,615	882,615
Parking garages	1,689,887	1,208,336	2,898,223
Total capital assets	2,124,887	1,655,951	3,780,838
Accumulated depreciation	(1,351,777)	(515,464)	(1,867,241)
Net capital assets	773,110	1,140,487	1,913,597
Total noncurrent assets	773,110	1,140,487	1,913,597
Total assets	855,327	1,209,896	2,065,223
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	7,517	8,986	16,503
Accrued interest payable	18,750	-	18,750
Unearned revenue	535	-	535
Bonds & notes payable, current portion	25,000	-	25,000
Total current liabilities	51,802	8,986	60,788
Noncurrent Liabilities:			
Bonds and notes payable	1,009,500	-	1,009,500
Accrued interest payable	857,706	-	857,706
Total noncurrent liabilities	1,867,206	-	1,867,206
Total Liabilities	1,919,008	8,986	1,927,994
Net Assets (deficit):			
Invested in capital assets, net of related debt	(261,390)	1,140,487	879,097
Restricted for repairs and contingency	27,574	13,993	41,567
Unrestricted	(829,865)	46,430	(783,435)
Total net assets (deficit)	(1,063,681)	1,200,910	137,229
Total liabilities and net assets	$ 855,327	$ 1,209,896	$ 2,065,223

Richmond Metropolitan Authority
Non-Major Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended June 30, 2008

	Second Street Facility	Carytown Facilities	Total Non-major Funds
Operating Revenues			
Operating revenues:			
Parking fees and rentals	$ 122,479	$ 58,700	$ 181,179
Other	855	-	855
Total operating revenues	123,334	58,700	182,034
Operating expenses			
Employee compensation & benefits	31,476	38,785	70,261
Maintenance	13,770	396	14,166
Depreciation	42,247	30,208	72,455
Consulting fees	2,668	139	2,807
Heat, light, power	20,175	5,251	25,426
Insurance	7,872	3,591	11,463
Other	19,398	9,758	29,156
Total operating expenses	137,606	88,128	225,734
Operating income (loss)	(14,272)	(29,428)	(43,700)
Nonoperating revenues (expenses)			
Investment earnings	311	2,839	3,150
Interest expense:			
Bonds	(40,283)	-	(40,283)
Notes	(25,594)	-	(25,594)
Transfers	419,000	-	419,000
Total operating revenues (expenses)	353,434	2,839	356,273
Change in net assets	339,162	(26,589)	312,573
Net assets (deficit)-beginning	(1,402,843)	1,227,499	(175,344)
Net assets (deficit)-ending	$ (1,063,681)	$ 1,200,910	$ 137,229

Richmond Metropolitan Authority
Combining Statement of Cash Flows
Year Ended June 30, 2008

	Second Street Facility	Carytown Facilities	Total Non-major Funds
Cash flow from operating activities			
Receipts from customers	$ 120,968	$ -	$ 120,968
Receipts from City of Richmond	-	58,700	58,700
Payments to suppliers	(75,063)	(53,065)	(128,128)
Payments to employees	(30,188)	(37,315)	(67,503)
Net cash provided by (used in) operating activities	15,717	(31,680)	(15,963)
Cash flows from non-capital financing activities			
Transfers	419,000	-	419,000
Cash flows from capital and related financing activities			
Interest paid on revenue bonds and notes	(52,434)	-	(52,434)
Principal paid on revenue bonds and notes	(400,000)	-	(400,000)
Net cash used by capital and related financing activities	(33,434)	-	(33,434)
Cash flows from investing activities			
Purchase of investment securities	(3,498)	-	(3,498)
Interest received on investing activities	1,754	2,839	4,593
Net cash provided by (used in) investing activities	(1,744)	2,839	1,095
Net increase (decrease) in cash	(19,461)	(28,841)	(48,302)
Cash balances - beginning of the year	28,188	97,867	126,055
Cash balances - end of the year	$ 8,727	$ 69,026	$ 77,753
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ (14,272)	$ (29,428)	$ (43,700)
Depreciation	42,247	30,208	72,455
Changes in assets and liabilities:			
Accounts receivables	(259)	-	(259)
Prepaids and other	2,111	520	2,631
Accounts payable and accrued liabilities	(12,004)	(32,980)	(44,984)
Unearned revenue	(2,106)	-	(2,106)
Net cash provided (used in) operating activities	$ 15,717	$ (31,680)	$ (15,963)
Noncash capital, financing and investing activities			
Net change in fair value of investments	$ (1,672)	$ -	$ (1,672)

STATISTICAL SECTION

This section of the Authority's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the Authority's overall financial health. This information has not been audited by the independent auditor.

Financial Trends

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

Table 1	Net Assets (Deficit) by Component
Table 2	Net Assets (Deficit) by Component by Fund
Table 3	Changes in Net Assets
Table 4	Expressway System Changes in Net Assets
Table 5	Expressway Parking Deck Changes in Net Assets
Table 6	Stadium Changes in Net Assets
Table 7	Main Street Station Changes in Net Assets
Table 8	Second Street Parking Facility Changes in Net Assets
Table 9	Carytown Parking Facilities Changes in Net Assets
Table 10	Operating Revenues by Fund
Table 11	Operating Expenses by Fund

Revenue Capacity

These schedules contain information to help the reader assess the Authority's significant local operating revenues.

Table 12	Operating Revenues by Source
Table 13	Toll Rates

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt, and the Authority's ability to issue additional debt in the future.

Table 14	Expressway System Revenue Bond Coverage
Table 15	Second Street Parking Facility Revenue Bond Coverage
Table 16	Expressway Parking Deck Revenue Bond Coverage

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.

Operating Information

These schedules contain service and infrastructure 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.

Table 1

Richmond Metropolitan Authority

Net Assets (Deficit) by Component

Last Six Fiscal Years

	Fiscal Year					
	2003 (2)	2004	2005	2006	2007	2008
Invested in capital assets, net of related debt	$ 11,864,943	$ 16,683,617	$ 25,258,578	$ 31,944,663	$ 37,002,460	$ 44,980,515
Restricted (1)	7,331,286	12,909,099	17,657,309	14,048,201	15,976,753	9,890,574
Unrestricted	137,356	(4,142,692)	(11,331,645)	(10,561,171)	(10,186,159)	(9,985,151)
Total net assets (deficit)	$ 19,333,585	$ 25,450,024	$ 31,584,242	$ 35,431,693	$ 42,793,054	$ 44,885,938

(1) Restricted assets represent cash and investments in the repair and contingency fund being accumulated for future years' capital projects. Balances at year end fluctuate based on timing of projects.
(2) Retroactive to fiscal year 2003, when the Authority implemented GASB Statement 34.

Net Assets (Deficit) By Component by Fund is presented on next page.

Table 2
Richmond Metropolitan Authority
Net Assets (Deficit) by Component by Fund
Last Six Fiscal Years

	Fiscal Year					
	2003 (2)	2004	2005	2006	2007	2008
Expressway System						
Invested in capital assets, net of related debt	$ 13,153,299	$ 17,664,223	$ 26,791,581	$ 34,342,000	$ 39,836,177	$ 48,144,699
Restricted	6,945,993	12,523,419	17,250,964	13,856,981	15,659,148	9,454,748
Unrestricted	7,330,758	3,787,786	(2,981,255)	(1,871,529)	(611,009)	173,275
Total net assets (deficit)	27,430,050	33,975,428	41,061,290	46,327,452	54,884,316	57,772,722
Downtown Parking Facility						
Invested in capital assets, net of related debt	(7,502,242)	(7,712,048)	(8,129,108)	(8,546,169)	(9,075,373)	(9,473,945)
Restricted	72,797	63,322	183,394	191,220	262,659	327,361
Unrestricted	(6,768,857)	(7,412,324)	(7,934,621)	(8,424,154)	(8,814,419)	(9,423,686)
Total net assets (deficit)	(14,198,302)	(15,061,050)	(15,880,335)	(16,779,103)	(17,627,133)	(18,570,270)
Stadium						
Invested in capital assets, net of related debt	5,647,512	6,055,074	5,992,191	5,854,885	5,690,102	5,430,664
Restricted	312,496	322,358	222,951	-	-	66,898
Unrestricted	(52,295)	(175,667)	(62,149)	(61,482)	(41,069)	-
Total net assets (deficit)	5,907,713	6,201,765	6,152,993	5,793,403	5,649,033	5,497,562
Main Street Station (1)						
Unrestricted	-	233,816	216,393	157,778	62,180	48,695
Total net assets (deficit)	-	233,816	216,393	157,778	62,180	48,695
Second Street Facility						
Invested in capital assets, net of related debt	(510,153)	(584,952)	(627,198)	(669,445)	(619,142)	(261,390)
Restricted	-	-	-	-	40,953	27,574
Unrestricted	(647,405)	(629,828)	(625,596)	(649,472)	(824,653)	(829,865)
Total net assets (deficit)	(1,157,558)	(1,214,780)	(1,252,794)	(1,318,917)	(1,402,842)	(1,063,681)
Carytown Facilities						
Invested in capital assets, net of related debt	1,076,527	1,261,320	1,231,112	1,200,904	1,170,696	1,140,487
Restricted	-	-	-	-	13,993	13,993
Unrestricted	275,155	53,525	55,583	49,776	42,811	46,430
Total net assets (deficit)	$ 1,351,682	$ 1,314,845	$ 1,286,695	$ 1,250,680	$ 1,227,500	$ 1,200,910

(1) Management of the Main Street Station began July 1, 2003.
(2) Net asset information provided retroactive to FY 2003, when GASB 34 was implemented.

Table 3

Richmond Metropolitan Authority

Changes in Net Assets

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Contributio ns from Localities	Change in Net Assets
1999	$ 24,958,250	$ 10,434,306	$ 14,523,944	$ (10,989,313)	$ 497,977	$ 4,032,608
2000	25,467,065	12,387,953	13,079,112	(10,284,812)	1,078,446	3,872,746
2001	26,401,016	15,776,152	10,624,864	(8,767,991)	1,175,181	3,032,054
2002	27,242,570	11,167,409	16,075,161	(8,487,593)	905,756	8,493,324
2003 (1)	26,864,141	13,044,617	13,819,524	(9,414,312)	529,587	4,934,799
2004	27,579,487	11,593,264	15,986,223	(10,935,088)	1,065,304	6,116,439
2005	27,177,350	13,478,029	13,699,321	(8,686,133)	1,121,013	6,134,201
2006	27,343,156	15,286,390	12,056,766	(8,810,912)	601,614	3,847,468
2007	28,258,278	15,668,681	12,589,597	(5,581,098)	352,862	7,361,361
2008	28,365,020	18,404,113	9,960,907	(8,345,301)	477,282	2,092,888

(1) The Authority implemented Governmental Accounting Standards Board (GASB) Statement 34 in fiscal year 2003.

Table 4

Richmond Metropolitan Authority

Expressway System Changes in Net Assets

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Change in Net Assets
1999	$ 22,754,061	$ 8,543,433	$ 14,210,628	$ (9,453,738)	$ 4,756,890
2000	23,399,730	10,648,177	12,751,553	(8,791,258)	3,960,295
2001	24,339,908	13,868,187	10,471,721	(7,383,964)	3,087,757
2002	25,109,883	9,195,285	15,914,598	(7,111,039)	8,803,559
2003	24,652,886	11,271,217	13,381,669	(8,068,980)	5,312,689
2004	25,555,350	9,404,393	16,150,957	(9,605,579)	6,545,378
2005	25,047,668	10,550,361	14,497,307	(7,411,452)	7,085,855
2006	25,185,296	12,325,801	12,859,495	(7,592,926)	5,266,569
2007	25,762,972	12,935,528	12,827,444	(4,270,980)	8,556,464
2008	25,840,518	15,571,300	10,269,218	(7,380,810)	2,888,408

Table 5

Richmond Metropolitan Authority

Expressway Parking Deck Changes in Net Assets

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Change in Net Assets
1999	$ 1,030,855	$ 798,752	$ 232,103	$ (1,240,614)	$ (1,008,511)
2000	984,152	816,588	167,564	(1,225,235)	(1,057,671)
2001	996,548	921,059	75,489	(1,203,702)	(1,128,213)
2002	1,076,658	1,019,971	56,687	(1,211,397)	(1,154,710)
2003	1,140,025	814,080	325,945	(1,202,979)	(877,034)
2004	1,132,892	785,461	347,431	(1,210,179)	(862,748)
2005	1,215,338	844,932	370,406	(1,189,697)	(819,291)
2006	1,210,795	956,330	254,465	(1,153,227)	(898,762)
2007	1,252,419	840,140	412,279	(1,260,309)	(848,030)
2008	1,258,186	883,469	374,717	(1,317,852)	(943,135)

Table 6

Richmond Metropolitan Authority

Stadium Changes in Net Assets

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Contributions from Localities	Change in Net Assets
1999	$ 722,680	$ 827,060	$ (104,380)	$ (161,132)	$ 497,977	$ 232,465
2000	651,644	685,593	(33,949)	(137,505)	1,078,446	906,992
2001	666,316	736,598	(70,282)	(65,178)	1,175,181	1,039,721
2002	660,207	729,215	(69,008)	(51,778)	905,756	784,970
2003	672,948	747,880	(74,932)	(37,706)	529,587	416,949
2004	686,523	931,638	(245,115)	(26,110)	565,277	294,052
2005	650,669	1,307,959	(657,290)	2,098	606,418	(48,774)
2006	626,047	1,081,762	(455,715)	12,660	83,467	(359,588)
2007	607,421	859,266	(251,845)	17,581	89,894	(144,370)
2008	604,565	849,237	(244,672)	(1,799)	95,000	(151,471)

Table 7

Richmond Metropolitan Authority

Main Street Station Changes in Net Assets

Last Five Fiscal Years (1)

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Reimburse-ments from the City of Richmond	Change in Net Assets
2004	$ 9,138	$ 275,521	$ (266,383)	$ 172	$ 500,027	$ 233,816
2005	38,461	571,763	(533,302)	1,284	514,595	(17,423)
2006	114,519	696,802	(582,283)	5,521	518,147	(58,615)
2007	451,057	822,412	(371,355)	12,789	262,968	(95,598)
2008	479,717	874,373	(394,656)	(1,113)	382,282	(13,487)

(1) Management of the Main Street Station began July 1, 2003

Table 8

Richmond Metropolitan Authority

Second Street Parking Facility Changes in Net Assets

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Change in Net Assets
1999	$ 185,297	$ 151,378	$ 33,919	$ (83,692)	$ (49,773)
2000	160,819	147,681	13,138	(90,811)	(77,673)
2001	129,611	147,774	(18,163)	(88,513)	(106,676)
2002	125,998	134,265	(8,267)	(89,714)	(97,981)
2003	130,952	120,537	10,415	(90,106)	(79,691)
2004	145,552	112,547	33,005	(90,227)	(57,222)
2005	173,418	122,253	51,165	(89,182)	(38,017)
2006	155,370	136,985	18,385	(84,505)	(66,120)
2007	129,458	129,125	333	(84,258)	(83,925)
2008	123,334	137,606	(14,272)	353,434	339,162

Table 9

Richmond Metropolitan Authority

Carytown Parking Facilities Changes in Net Assets

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Change in Net Assets
1999	$ 265,357	$ 113,683	$ 151,674	$ (50,137)	$ 101,537
2000	270,720	89,914	180,806	(40,003)	140,803
2001	268,633	102,534	166,099	(26,634)	139,465
2002	269,824	88,673	181,151	(23,665)	157,486
2003	267,330	90,903	176,427	(14,541)	161,886
2004	50,032	83,704	(33,672)	(3,165)	(36,837)
2005	51,796	80,761	(28,965)	816	(28,149)
2006	51,129	88,710	(37,581)	1,565	(36,016)
2007	54,951	82,210	(27,259)	4,079	(23,180)
2008	58,700	88,128	(29,428)	2,839	(26,589)

Table 10

Richmond Metropolitan Authority

Operating Revenues by Fund

Last Ten Fiscal Years

Fiscal Year	Expressway System	Second Street Facility	Expressway Parking Deck	Carytown Facilities	Stadium Facility	Main Street Station (1)	Total
1999	$ 22,754,061	$ 185,297	$ 1,030,855	$ 265,357	$ 722,680	$ –	$ 24,958,250
2000	23,399,730	160,819	984,152	270,720	651,644	–	25,467,065
2001	24,339,908	129,611	996,548	268,633	666,316	–	26,401,016
2002	25,109,883	125,998	1,076,658	269,824	660,207	–	27,242,570
2003	24,652,886	130,952	1,140,025	267,330	672,948	–	26,864,141
2004	25,555,350	145,552	1,132,892	50,032	686,523	9,138	27,579,487
2005	25,047,668	173,418	1,215,338	51,796	650,669	38,461	27,177,350
2006	25,185,296	155,370	1,210,795	51,129	626,047	114,519	27,343,156
2007	25,762,972	129,458	1,252,419	54,951	607,421	451,057	28,258,278
2008	25,840,518	123,334	1,258,186	58,700	604,565	479,717	28,365,020

(1) Management of the Main Street Station began July 1, 2003.

Table 11

Richmond Metropolitan Authority

Operating Expenses by Fund

Last Ten Fiscal Years

Fiscal Year	Expressway System	Second Street Facility	Expressway Parking Deck	Carytown Facilities	Stadium Facility	Main Street Station (1)	Total
1999	$ 8,543,433	$ 151,378	$ 798,752	$ 113,683	$ 827,060	$ -	$ 10,434,306
2000	10,648,177	147,681	816,588	89,914	685,593	–	12,387,953
2001	13,868,187	147,774	921,059	102,534	736,598	–	15,776,152
2002	9,195,285	134,265	1,019,971	88,673	729,215	–	11,167,409
2003	11,271,217	120,537	814,080	90,903	747,880	–	13,044,617
2004	9,404,393	112,547	785,461	83,704	931,638	275,521	11,593,264
2005	10,550,361	122,253	844,932	80,761	1,307,959	571,763	13,478,029
2006	12,325,801	136,985	956,330	88,710	1,081,762	696,802	15,286,390
2007	12,935,528	129,125	840,140	82,210	859,266	822,412	15,668,681
2008	15,571,300	137,606	883,469	88,128	849,237	874,373	18,404,113

(1) Management of the Main Street Station began July 1, 2003.

Table 12

Richmond Metropolitan Authority

Operating Revenues by Source

Last Ten Fiscal Years

Fiscal Year	Tolls	Parking	Rent	Other (1)	Total
1999	$ 22,689,721	$ 1,650,893	$ 584,895	$ 32,741	$ 24,958,250
2000	23,330,743	1,558,969	538,013	39,340	25,467,065
2001	24,270,116	1,516,924	567,433	46,543	26,401,016
2002	25,036,887	1,591,468	572,303	41,912	27,242,570
2003	24,590,032	1,695,792	572,064	6,253	26,864,141
2004	25,473,603	1,490,575	600,616	14,693	27,579,487
2005	24,976,704	1,582,394	609,145	9,107	27,177,350
2006	25,079,121	1,688,295	464,987	110,753	27,343,156
2007	25,717,464	2,040,242	447,942	52,630	28,258,278
2008	25,765,372	2,158,576	428,427	12,645	28,365,020

(1) Advertising fees, late fees, forfeited deposits and miscellaneous charges.

Table 13

Richmond Metropolitan Authority

Toll Rates Last Ten Fiscal Years

	Fiscal Year									
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Two-axle vehicles:										
Powhite Parkway mainline	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Forest Hill Avenue	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Douglasdale Road	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Boulevard Bridge	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Lombardy Mainline	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Canal-Byrd street	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
11th street	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Three-axle vehicles:										
Powhite Parkway mainline	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Forest Hill Avenue	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Douglasdale Road	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Boulevard Bridge	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Lombardy Mainline	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Canal-Byrd street	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
11th street	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Four-axle vehicles:										
Powhite Parkway mainline	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Forest Hill Avenue	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Douglasdale Road	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Boulevard Bridge	-	-	-	-	-	-	-	-	-	-
Lombardy Mainline	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Canal-Byrd street	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
11th street	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Five or More-axle vehicles:										
Powhite Parkway mainline	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Forest Hill Avenue	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Douglasdale Road	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Boulevard Bridge	-	-	-	-	-	-	-	-	-	-
Lombardy Mainline	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Canal-Byrd street	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
11th street	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

Table 14

Richmond Metropolitan Authority

Expressway System Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Direct Operating Expenses(1)	Net Revenue Available for Debt Service	Debt Service Requirements Principal(2)	Debt Service Requirements Interest	Debt Service Requirements Total	Coverage
1999	$ 22,754,061	$ 5,079,153	$ 17,674,908	$ 1,895,000	$ 8,159,383	$ 10,054,383	1.76
2000	23,399,730	5,753,242	17,646,488	2,310,000	8,057,045	10,367,045	1.70
2001	24,339,908	6,220,090	18,119,818	3,254,760	7,667,666	10,922,426	1.66
2002	25,109,883	6,893,653	18,216,230	3,840,300	7,216,359	11,056,659	1.65
2003	24,652,886	7,717,526	16,935,360	4,520,815	6,742,072	11,262,887	1.50
2004	25,555,350	7,477,397	18,077,953	4,370,400	7,075,145	11,445,545	1.58
2005	25,047,668	7,554,357	17,493,311	4,291,090	6,780,930	11,072,020	1.58
2006	26,495,000	8,337,264	18,157,736	4,958,000	6,869,444	11,827,444	1.54
2007	27,510,653	9,069,133	18,441,520	5,678,000	6,268,291	11,946,291	1.54
2008	27,314,921	9,696,510	17,618,411	5,980,000	6,786,412	12,766,412	1.38

(1) Does not include depreciation, unrealized gains/losses, and expenses from the Repair & Contingency Account, which is funded after debt service requirements have been met.

(2) The Authority has used available funds in the Bond Retirement Account to retire bonds ahead of schedule.

Table 15

Richmond Metropolitan Authority

Second Street Parking Facility Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Direct Operating Expenses(1)	Net Revenue Available for Debt Service	Debt Service Requirements Principal (2)	Debt Service Requirements Interest	Debt Service Requirements Total	Coverage
1999	$ 185,297	$ 109,132	$ 76,165	$ 50,000	$ 74,875	$ 124,875	0.61
2000	160,819	105,433	55,386	55,000	71,100	126,100	0.44
2001	129,611	105,527	24,084	20,000	61,880	81,880	0.29
2002	125,998	92,019	33,979	–	61,400	61,400	0.55
2003	130,952	78,290	52,662	–	65,100	65,100	0.81
2004	145,552	70,299	75,253	–	65,100	65,100	1.16
2005	173,418	80,006	93,412	–	65,100	65,100	1.43
2006	155,370	79,649	75,721	–	65,100	65,100	1.16
2007	129,458	86,878	42,580	–	53,100	53,100	0.80
2008	542,334	95,359	446,975	425,000	40,283	465,283	0.96

(1) Does not include depreciation expense.

(2) In August 2001, the bond agreement was modified to defer the payment of principal during fiscal years 2002 through 2006 to fiscal year 2008. In FY 2008, funds in the amount of $419,000 were transferred from the Expressway Parking Deck to the Second Street Parking Deck to fund the July 2007 and July 2008 principal debt payments.

Table 16

Richmond Metropolitan Authority

Expressway Parking Deck Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year	Gross Operating Revenue	Direct Operating Expenses(1)	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage (2)
1999	$ 1,030,855	$ 383,871	$ 646,984	$ 160,000	$ 1,253,218	$ 1,413,218	0.46
2000	984,152	407,343	576,809	200,000	1,243,063	1,443,063	0.40
2001	996,548	506,179	490,369	200,000	1,231,436	1,431,436	0.34
2002	1,076,658	462,461	614,197	245,000	1,218,022	1,463,022	0.42
2003	1,140,025	397,020	743,005	240,000	1,203,114	1,443,114	0.51
2004	1,132,892	392,178	740,714	285,000	1,186,553	1,471,553	0.50
2005	1,215,338	451,649	763,689	375,000	1,165,255	1,540,255	0.50
2006	1,231,000	445,970	785,030	430,000	1,153,068	1,583,068	0.50
2007	1,302,092	446,857	855,235	490,000	1,120,613	1,610,613	0.53
2008	1,296,042	909,186	386,856	590,000	1,073,233	1,663,233	0.23

(1) Does not include depreciation expense.
(2) The City of Richmond has provided additional funds to cover debt service.

Table 17

Richmond Metropolitan Authority

Metropolitan Area Principal Employers

Current Year and Prior Years

Employer	Fiscal Year 2008 Number of Employees	Rank	Percentage of Top 50 Employers	Fiscal Year 2007 Number of Employees	Rank	Percentage of Top 50 Employers	Fiscal Year 2006 Number of Employees	Rank	Percentage of Top 50 Employers	Fiscal Year 2005 Number of Employees	Rank	Percentage of Top 50 Employers
State government	27,124	1	14.71 %	26,463	1	14.35 %	25,405	1	14.02 %	25,084	1	14.35 %
Federal Government	15,100	2	8.19	15,300	2	8.30	15,100	2	8.33	15,500	2	8.87
Chesterfield County	11,067	3	6.00	10,826	3	5.87	10,467	3	5.78	10,194	3	5.83
Henrico County	10,372	4	5.62	10,124	4	5.49	9,848	4	5.43	9,525	4	5.45
Richmond City	8,445	5	4.58	8,542	5	4.63	8,833	5	4.87	8,879	5	5.08
VCU Health System	7,082	6	3.84	6,990	8	3.79	6,729	7	3.71	6,549	8	3.75
HCA Inc.	6,941	7	3.76	6,418	6	3.48	6,678	8	3.69	6,570	7	3.76
Capital One Financial Corp.	6,474	8	3.51	7,389	7	4.01	7,057	6	3.89	7,939	6	4.54
Wal-Mart Stores Inc.	6,173	9	3.35	5,862	10	3.18	5,371	10	2.96	5,429	10	3.11
Philip Morris USA	5,630	10	3.05	6,100	9	3.31	6,300	9	3.48	6,450	9	3.69
Totals	104,408		56.61	104,014		57.40	101,788		57.50	102,119		58.42
Other remaining employers	80,032		43.39	77,200		42.60	75,233		42.50	72,674		41.58
Total Top 50 employers	184,440		100.00 %	181,214		100.00 %	177,021		100.00 %	174,793		100.00 %

Source: Richmond Times Dispatch.

GASB 44 was implemented during fiscal year 2006 with above data being started from 2005, as data becomes available the above table will be presented for ten years.

Table 18

Richmond Metropolitan Authority

Metropolitan Area Estimated Population Data

Last Ten Years

Year	City of Richmond	Chesterfield County	Henrico County	Total
1999	197,800	253,300	254,100	705,200
2000	197,300	257,800	258,700	713,800
2001	197,790	259,903	262,300	719,993
2002	195,600	264,600	267,400	727,600
2003	193,000	270,700	271,700	735,400
2004	195,300	275,600	275,100	746,000
2005	192,900	281,300	279,600	753,800
2006	193,300	286,500	283,300	763,100
2007	192,030	292,500	286,800	771,330
2008	195,300	298,721	289,788	783,809

Source: Weldon Cooper Center for Public Service, University of Virginia

Table 19

Richmond Metropolitan Authority

Operating and Capital Indicators

Last Ten Fiscal Years

	Fiscal Year									
	1999	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Expressway										
Traffic:										
Powhite Parkway	29,343,068	30,627,361	32,481,885	33,735,578	33,767,965	35,112,800	32,727,627	33,185,285	33,893,494	33,937,909
Downtown Expressay	16,432,803	16,841,337	17,809,228	18,037,150	17,947,925	18,751,860	19,020,040	19,722,805	20,586,135	20,966,648
Boulevard Bridge	5,335,716	5,290,849	5,331,493	5,321,892	5,068,404	5,102,544	5,166,411	4,997,137	4,995,311	4,964,251
Total	51,111,587	52,759,547	55,622,606	57,094,620	56,784,294	58,967,204	56,914,078	57,905,227	59,474,940	59,868,808
Lanes Miles (in total)	45.00	45.00	45.00	45.00	45.00	45.00	45.00	45.00	46.94	45.91
Stadium:										
Attendance	528,230	523,670	451,500	447,020	452,961	446,882	375,029	402,815	378,228	342,090
Number of seats	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Parking:										
Number of spaces:										
Carytown	220	220	220	220	220	220	220	220	220	220
2nd street	370	370	370	370	370	370	370	370	370	370
Downtown expressway	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Table 20

Richmond Metropolitan Authority

Employees by Identifiable Activity

Last Seven Fiscal Years

	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
Summary:							
Full-Time	99	99	98	99	101	100	110
Part-Time	31	37	34	36	34	34	32
Total Employees:	130	136	132	135	135	134	142
Expressway:							
Full-Time	80	80	79	79	82	80	89
Part-Time	25	31	28	30	28	27	26
Total Employees:	105	111	107	109	110	107	115
Central Administration:							
Full-Time	17	17	17	17	16	16	17
Part-Time	1	1	1	1	1	1	1
Total Employees:	18	18	18	18	17	17	18
Parking:							
Full-Time	2	2	2	2	2	2	2
Part-Time	5	5	5	5	5	6	5
Total Employees:	7	7	7	7	7	8	7
Main Street Station (1):							
Full-Time	-	-	-	1	1	2	2
Part-Time	-	-	-	-	-	-	-
Total Employees:	-	-	-	1	1	2	2

(1) Management of the Main Street Station Began July 1, 2003

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

To the Board of Directors
Richmond Metropolitan Authority
Richmond, Virginia

We have audited the business type activities, each major fund, and the aggregate remaining fund information of the Richmond Metropolitan Authority as of and for the year ended June 30, 2008, and have issued our report thereon dated September 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Authorities, Boards and Commissions,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

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

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

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

Compliance and Other Matters

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

We noted certain other matters that we have reported to the management of the Authority in a separate letter dated September 30, 2008.

This report is intended solely for the information and use of the Board of Directors, Audit Committee, management and the Auditor of Public Accounts of the Commonwealth of Virginia and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

Richmond, Virginia
September 30, 2008