COMPREHENSIVE ANNUAL FINANCIAL REPORT

RICHMOND METROPOLITAN AUTHORITY

Richmond, Virginia

Year Ended June 30, 2009

Prepared by

The Department of Finance

Larry D. Clark, Director of Finance

RICHMOND METROPOLITAN AUTHORITY

Comprehensive Annual Financial Report

Year Ended June 30, 2009

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Introductory Section

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Richmond Metropolitan Authority

September 30, 2009

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, 2009 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 36 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. This year, in accordance with a 1992 agreement relative to air-rights over the deck, developer Armada Hoffler began construction of a 17-story office building adjacent to and over the existing Expressway Parking Deck. The fiscal year revenue and expense budgets were adjusted to reflect the possible adverse of construction on revenues and expenses. It is anticipated that construction will conclude May 2010.

The Diamond Baseball Stadium, built in 1984, had 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) at the end of the 2008 season. There was no baseball played at the Diamond for the 2009 season, and as a result, revenues were adversely impacted. It is anticipated that baseball will return to the Diamond for the 2010 baseball season.

In June 2003, the City of Richmond completed renovation of the historic Main Street Station and related parking lot. Upon completion of the renovation, 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

- **Powhite Parkway Express Lanes** - In FY 2008-09, the RMA took a major step into the future of electronic toll collection with the introduction of Open Road Tolling (ORT) on the Powhite Parkway. The southbound lanes opened August 10th, and were followed by the northbound lanes on September 5, 2008. Considered the standard for all future toll facilities constructed throughout the world, ORT is a barrier free system that allows for toll collection and violation enforcement under normal highway driving conditions. Convenience, safety, improved air quality, and fuel economy are the driving forces behind the popularity of the system. ORT enhances traffic flow, lowers fuel consumption, and eliminates congestion and gridlock. In fact, with the launch of the ORT lanes, RMA has effectively eliminated rush hour backups at the Powhite Parkway Plaza. This $30 million multi-phase project, which began in FY 2000-01, represents the largest capital improvement project in the 43 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, and additional staff were hired and trained in accordance with established plans. Construction wrapped up in July and August 2008, and it was during this period of time that our customers unfortunately experienced significant delays on the Powhite. Through our public relations efforts we attempted to minimize delays and inconvenience by suggesting that our customers plan for additional travel times or consider alternative travel routes. As anticipated, traffic volume at the Powhite Plaza declined a combined 6.8% during the July and August period.

- **ORT Violation Rates** - To date, ORT has exceeded our expectations in terms of performance, reliability and customer satisfaction. While every performance measure has been met, or exceeded; it is violation rates that have provided the greatest surprise. Violations are a primary concern for any ORT environment, as there are no barrier plazas (gates) or human interaction to ensure the collection of revenue. Based on the first-year experience of other toll facilities that had implemented ORT lanes throughout the nation, our revenue consultant forecasted a 13% violation rate for FY 2008-09. As of June 2009, violation rates in the ORT lanes are averaging 2.1%, which is less than the pre-ORT rate which was just under 3% for the entire expressway system. The low violation rate is attributable to many factors which include system design, pre-implementation testing, signage, and a public relations campaign that stressed ORT education and the possible consequences for violators. Lower than anticipated violation rates translate into additional revenues, lower enforcement costs, and most importantly, an overall positive commuting experience for our customers.

- **September 8, 2008 Toll Increase** - 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.

- **Baseball** – In FY 2008, the Atlanta Braves notified the Richmond Metropolitan Authority of their plans to move their triple-A team to Gwinnett County, Georgia at the end of the 2008 season. Accordingly, no baseball was played at the Diamond during the 2009 season, and as a result, revenues were adversely impacted. On September 29, 2009, the RMA Board of Directors authorized the General Manager to enter into a lease agreement with a double-A baseball team for the 2010 and 2011 baseball seasons.

ECONOMIC CONDITION AND OUTLOOK

Economic downturns adversely impact RMA revenue and traffic numbers in a variety of ways. Individuals and families curtail discretionary trips as budget conscious commuters look to reduce spending. Rising unemployment directly impacts the number of daily commuter trips to the downtown Richmond and surrounding areas. As businesses close or cut back on spending, traffic activity relative to the delivery of goods and services is likewise impacted. The global economic downturn arrived in the Richmond area during calendar year 2008 in the form of plant closings, rising unemployment, home foreclosures and uncertainty in the financial markets.

The economic downturn, and the resulting unemployment, also impacts the demand for parking in downtown Richmond. This is especial true in the financial sector that has experienced a noticeable retraction over the past year. This retraction has resulted in layoffs, the closing of offices or the relocation of employees. State and local governments, which are major employers in the Richmond area, have also reduced their workforce in response to reductions in tax collections and fees.

The Fiscal Year 2009-10 budget was developed with an eye to the uncertainty that exists regarding the economy and the corresponding adverse impacts on traffic volume and revenues. In response to this uncertainty, costs were reduced wherever possible resulting in a 9.2% decrease from the FY 2008-09 Expressway budget. We will continue to monitor monthly revenue and traffic numbers relative to budget. Should the situation continue to deteriorate beyond projections, a variety of mid-term and long-range adjustments are available, such as delaying maintenance and repair projects and continuing to reduce operational expenses.

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, 2008. 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 fifteen 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.

<u>Acknowledgments</u> - 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,

Robert M. Berry	Larry D. Clark
General Manager	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, 2008

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

RICHMOND METROPOLITAN AUTHORITY

Principal Officials

June 30, 2009

Board of Directors

Appointed by City of Richmond	Appointed by Chesterfield County
Mr. David P. Baugh, Vice-Chairman Mr. Charles B. Arrington, Jr. Ms. Beverly A. Burton, Esquire Mr. D. Mychael Dickerson Ms. Jacqueline G. Epps Mr. Corey Nicholson	Mr. A. Dale Cannady Mr. Charles R. White

Appointed by Henrico County	Appointed by Commissioner, Department of Transportation
Mr. James L. Jenkins, Chairman Mr. David A. Brat	Mr. Gerald P. McCarthy

General Manager

Mr. Robert M. Berry

Director of Operations

Mr. James B. Kennedy

Director of Finance

Mr. Larry D. Clark

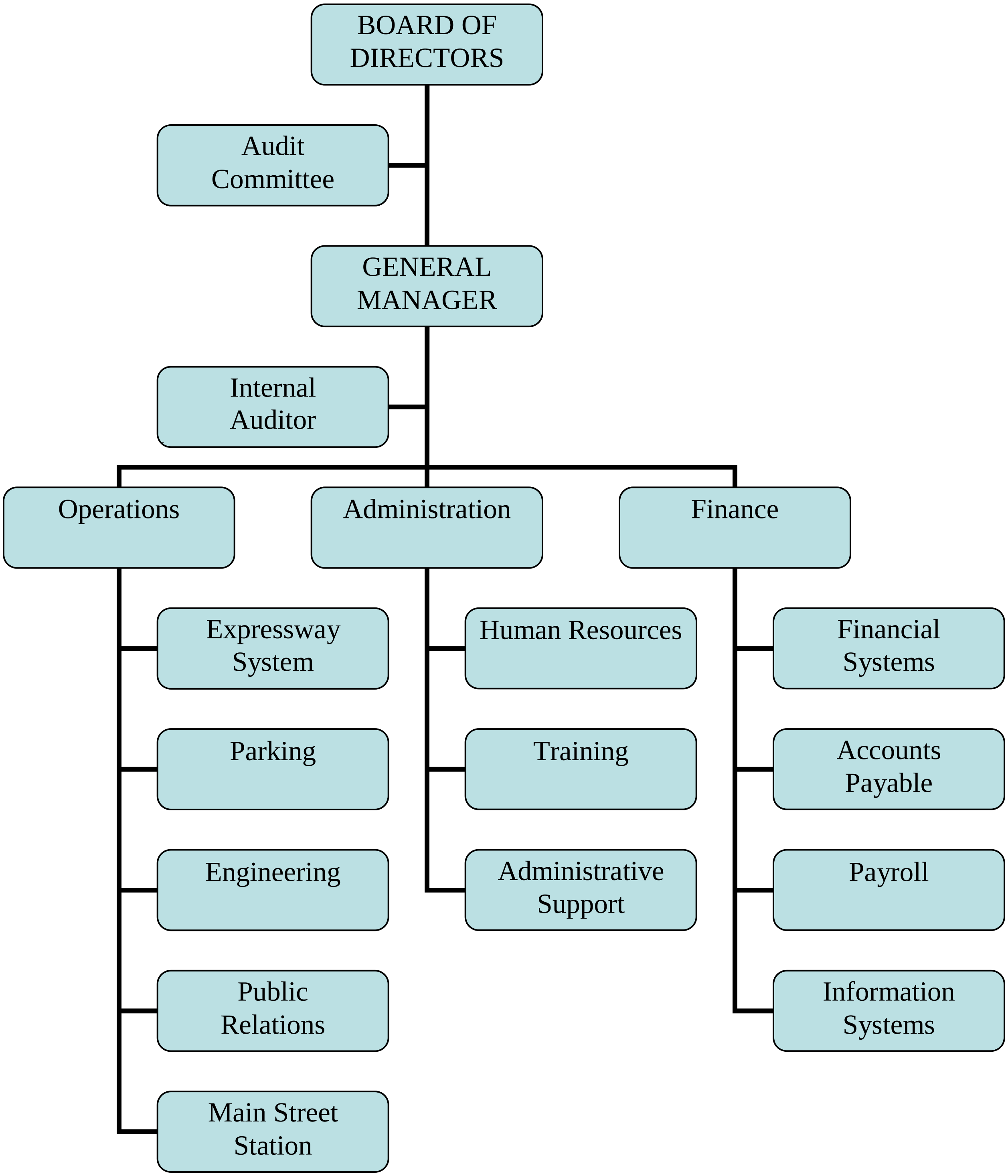
Director of Administration

Ms. Paulette S. Cook

Secretary and General Counsel

Mr. Eric E. Ballou

Richmond Metropolitan Authority
Organizational Chart
June 30, 2009



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, 2009, 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, 2009, 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 October 7, 2009 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 and Other Post Employment Benefits (OPEB) 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
October 7, 2009

Richmond Metropolitan Authority

Management's Discussion and Analysis

Year Ended June 30, 2009

This section of the Authority's Comprehensive Annual Financial Report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2009. 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 2009, traffic volume on the Expressway System totaled 55,039,857, which compares to 59,868,808 for FY 2008. This equates to a decrease of 4,828,951 transactions, or 8.06% for the year. When compared to budget, traffic volume was down 3.01%, or 1,709,143 transactions. This decrease in traffic volume is related to: 1) the July and August construction activity on the Powhite Open Road Tolling (ORT) lanes; 2) the September 8, 2008 toll increase; and, 3) the economic downturn, which arrived in the Richmond area in the second quarter of FY 2009. As anticipated, toll revenues increased $7,348,939 when compared to the previous year due to the toll increase. Although traffic volume was down for the year, revenues exceeded budget by 3.38%, which is directly related to the better than anticipated violation experience in the OTR lanes. The violation rate was budgeted at 13 percent, but the actual violation rate came in at about 2.1%. The better than anticipated violation rate is attributed to an excellent ORT design, signage, a vigorous video enforcement program, and the Authority's public relations campaign. The table below summarizes traffic volume and toll revenue for FY 2009.

Description	FY 2009 Budget	FY 2009 Actual	FY 2008 Actual	Increase (Decrease) FY 09 vs 08 Actual
Traffic Volume	56,749,000	55,039,857	59,868,808	(4,828,951)
Toll Revenue	$ 31,504,000	$ 33,114,311	$ 25,765,372	$ 7,348,939
EZ-Pass Participation *1		29,987,572	29,447,886	539,686

*1 – E-ZPass participation as a percentage of total traffic volume totaled 54.5% for FY 2009, which compares to 49.2% for FY 2008.

Total operating expenses for the Expressway System totaled approximately $21.3 million in FY 2009, a 36.5% increase from total operating expenses of $15.6 million for FY 2008. This increase was directly related to the following expense items:

Description	FY 2009 Actual	FY 2008 Actual	Increase (Decrease)
EZ-Pass Processing	$ 2,195,018	$ 2,130,368	$ 64,650
Video Enforcement	633,863	--	633,863
VDOT Maintenance	350,000	--	350,000
ORT Maintenance	175,876	--	175,876
Salary & Benefits	6,239,209	5,600,973	638,236
Expressway Maintenance	10,201,945	4,864,530	5,337,415
Consulting Fees	696,643	1,788,507	(1,091,864)

Many of the above increases are directly related to the August and September, 2008 implementation of Open Road Tolling in the Powhite Parkway, which will be discussed further in the Changes in Fund Net Assets section below.

Expressway Parking Deck

For FY 2009, parking fees derived from the Downtown Parking Facility (the "Expressway Parking Deck") were $1.1 million, compared to $1.25 million for FY 2008. The majority of revenue is generated from monthly rentals. The facility was designed for 1,000 parking spaces and averaged 959 monthly rented spaces in FY 2009 at a monthly rate of $90 for a majority of the spaces. Averaged monthly rented spaces for FY 2008 totaled 1,130. The reduction in revenue is the result of the economic downturn and construction of an office building adjacent to and over the existing parking facility.

Total operating expenses, including depreciation, for the Expressway Parking Deck totaled $1,033,594 for FY 2009, compared to $883,469 for FY 2008. This 17% increase is related to budgeted increases for employee compensation, and unbudgeted expenses relative to facility maintenance and consulting fees related to the new office building that is being constructed adjacent to the existing parking facility. During June 2009, upon obtaining approval from the City of Richmond, the Authority transferred $85,000 to the Second Street Parking Deck fund, to provide funding for the principal payments on the Series 1974 Second Street Parking Garage Revenue Bonds. Similar transfers were made in FY 2007 and 2008.

Second Street Parking Deck

The Second Street Parking Deck continued to struggle financially during FY 2009, but there were signs of improvement as monthly parking increased from an average of 171 in FY 2008 to 208 for the current fiscal year. Although the deck provided significant cash flow during FY 2009 to pay operating expenses and interest on the Series 1974 Parking Garage Revenue Bonds, it did not provide sufficient revenues to pay principal on the debt. As a result, cash in the amount of $85,000 was transferred from the Expressway Parking Deck to the Second Street Parking Deck revenue account to provide sufficient funds for the July 1, 2009 principal payment on the Series 1974 bonds.

Carytown Parking Decks

The financial picture for the two Carytown parking decks remained stable during FY 2009. The stairs at both decks were replaced in FY 2009 at a cost of approximately $31,000.

Diamond

Total operating revenues for the baseball stadium (The Diamond) for FY 2009 were $265,688 compared to $604,565 for FY 2008, which represents a 56% decline. The non-operating revenues for FY 2009 were $96,694, which is $3,493 lower than the $93,201 reported for last year. Non-operating revenues include a $95,000 contribution from the City of Richmond for 2008 admission taxes collected at the Diamond. Total operating expenses for the Diamond, including depreciation, for FY 2009 decreased $92,821 (10.9% decrease), when compared to last year. This reduction is primarily related to lower operating costs relative to the departure of the Richmond Braves. There was no baseball played at the Diamond for the calendar year 2009 season, but we do anticipate that baseball will played at the Diamond for the 2010 season.

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 2009, due to an increase in revenues and a moderate increase in expenses. Revenues increased $155,368 primarily due to rental revenue from parking and leased office space. Operating expenses increased $62,179, which was related to increases in employee compensation, and repairs relative to the electrical and mechanical systems. There were also major repairs related to the clock tower and a water line, which were one time expenses. Support from the City of Richmond increased $35,795.

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 of accounting, 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 for all funds at June 30, 2009 totaled approximately $48.7 million, an 8.5% increase over the $44.9 million reported at June 30, 2008. Total assets for all funds decreased to $274 million for FY 2009, from $276 million last year. The table below denotes the increases and decreases for each fund for total net assets and total assets:

Category/FY	Expressway Fund	DTE Parking Deck	Stadium	Main Street Station	Other Non-Major Funds
Total Net Assets:					
FY 2009	$ 62,960,351	$ (19,635,931)	$ 5,103,528	$166,500	$ 119,080
FY 2008	57,772,722	(18,570,270)	5,497,562	48,695	137,229
Increase/(Decrease)	$ 5,187,629	$ (1,065,661)	$ (394,034)	$117,805	$ (18,149)
Total Assets:					
FY 2009	$256,505.693	$10,068,454	$ 5,147,300	$299,162	$2,047,193
FY 2008	257,237,397	10,738,676	5,692,980	223,111	2,065,223
Increase/(Decrease)	$ (731,704)	$ (670,222)	$ (545,680)	$ 76,051	$ (18,030)

The increase in Expressway net assets of $5,187,629 is primarily due to the toll increase and the resulting revenue of $7,348,939. The decrease in total assets of $731,704 is the combination of the additional revenue from the toll increase and the expenditure of the remaining Series 2008 bond proceeds, which totaled $7.8 million at June 30, 2008. The decrease in the Expressway Parking Deck was due to the accrual of interest expense on the Expressway Parking Deck Revenue Bonds. The stadium decrease is directly related to the reduction in revenue as a result of the departure of the Richmond Braves. An increase in parking and lease revenues were the primary reason for the $117,805 increase at the Main Street Station. Other Non-Major Funds decreased as a result of the lack of parkers at the Second Street Parking Deck.

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, 2009. FY 2008 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)

	2009	2008	Increase (Decrease) 2009–2008
Current and other assets	$ 56,848	$ 57,508	$ (660)
Capital assets	199,658	199,730	(72)
Total assets	256,506	257,238	(732)
Current liabilities	11,744	12,647	(903)
Long-term liabilities	181,802	186,818	(5,016)
Total liabilities	193,546	199,465	(5,919)
Net assets:			
Invested in capital assets, net of related debt	47,868	48,145	(277)
Restricted	13,665	9,455	4,210
Unrestricted (deficit)	1,427	173	1,254
Total net assets	62,960	57,773	5,187
Total liabilities and net assets	$ 256,506	$ 257,238	$ (732)

The Authority's Expressway System reported total assets of $256.5 million, which compares to the $257.3 million reported at June 30, 2008. The decrease in total assets of $731,704 is the combination of the additional revenue from the toll increase ($7,348,939) and the expenditure of the remaining Series 2008 bond proceeds, which totaled $7.8 million at June 30, 2008. The expenditure of the $7.8 Series 2008 bond proceeds resulted in an overall reduction in investments and restricted assets, but this reduction was somewhat offset by deposits to the Expressway Repair and Contingency Fund resulting from the additional toll revenues. The reduction in current liabilities is related to the FY 2009 payment of outstanding construction contracts relative to the completion of the ORT lanes on Powhite Parkway. Long-term liabilities decreased $5.0 million due to the scheduled retirement of series bonds, and the accrual on interest expense relative to the subordinated debt owed to the City of Richmond.

The increase in net assets of $5.18 million is directly related to additional revenues resulting from the September 8, 2008 toll increase.

Table A-2

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

	2009	2008	Increase (Decrease) 2009-2008
Current and other assets	$ 1,085	$ 1,361	$ (276)
Capital assets	8,984	9,377	(393)
Total assets	10,069	10,738	(669)
Current liabilities	5,234	4,451	783
Long-term liabilities	24,471	24,858	(378)
Total liabilities	29,705	29,309	396
Net assets (deficit):			
Invested in capital assets, net of related debt	(9,870)	(9,474)	(396)
Restricted	261	327	(66)
Unrestricted	(10,027)	(9,424)	(603)
Total net assets (deficit)	(19,636)	(18,571)	(1,065)
Total liabilities and net assets (deficit)	$ 10,069	$ 10,738	$ (669)

The Expressway Parking Deck reported total assets of $10.06 million, a decrease of $670,222 from the $10.7 million reported for FY 2008. Most of this decrease is related to the reduction in revenues resulting from the economic downturn and the construction activity around the deck, depreciation in the amount of $393,283, interest expense related to the outstanding Series 1990 and 1992 bonds, and the transfer of $85,000 to the Second Street Parking Deck for debt service. The $396 thousand increase in total liabilities was primarily due to accrued interest payable relative to the Series 1990 and 1992 bonds.

Table A-3

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

	FY 2009	FY 2008	**Increase (Decrease) 2009–2008**
Current and other assets	$ 18	$ 262	$ (244)
Capital assets	5,129	5,431	(302)
Total assets	5,147	5,693	(546)
Current liabilities	44	195	(151)
Total liabilities	44	195	(151)
Net assets:			
Invested in capital assets, net of related debt	5,129	5,431	(302)
Unrestricted (deficit)	(26)	67	(93)
Total net assets	5,103	5,498	(395)
Total liabilities and net assets	$ 5,147	$ 5,693	$ (546)

Total Stadium assets decreased $545,680 during FY 2009. This decrease was directly related to the lack of baseball activity at the Diamond as a result of the Braves relocating to Georgia. The relocation had an adverse impact on revenues and cash reserves. For FY 2009, the change in net assets reflected a reduction of $394,034. It is anticipated that baseball will return to the Diamond for the calendar year 2010 season. In accordance with the 1984 Diamond Moral Obligation Agreement, the Authority requested payments in the amount of $170,000 each from the City of Richmond, and the Counties of Henrico and Chesterfield. In July 2009, the Authority received payments in the amount of $170,000 each from the City of Richmond and the County of Henrico. These funds will support operations until a new team begins play in calendar year 2010.

Table A-4

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

	2009	2008	Increase (Decrease) 2009–2008
Current and other assets	$ 299	$ 223	$ 76
Total assets	299	223	76
Current liabilities	133	174	(41)
Total liabilities	133	174	(41)
Net assets:			
Unrestricted	166	49	117
Total net assets	166	49	117
Total liabilities and net assets	$ 299	$ 223	$ 76

Total assets increased $76,051 from the prior year. This increase was due to the increase in accounts receivable related to an office lease for a former tenant.

Total liabilities decreased $41,754 due reductions in accounts payable and accrued liabilities. These increases are generally due to timing relative to the receipt of invoices at year-end.

Total net assets increased $117,805 due to increased revenue and contributions from the City of Richmond. 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)

	2009	2008	Increase (Decrease) 2009–2008
Current and other assets	$ 206	$ 152	$ 54
Capital assets	1,841	1,913	(72)
Total assets	2,047	2,065	(18)
Current liabilities	120	61	59
Long-term liabilities	1,808	1,867	(59)
Total liabilities	1,928	1,928	--
Net assets:			
Invested in capital assets, net of related debt	832	879	(47)
Restricted	41	42	(1)
Unrestricted	(754)	(784)	30
Total net assets	119	137	(18)
Total liabilities and net assets	$ 2,047	$ 2,065	$ (18)

The increase in current and other assets is due to restricted funds accumulated for the July 1, 2009 interest and principal payments relative to the Second Street, Series 1974 Parking Garage Revenue Bonds. The $72,455 decrease in capital assets is due to an increase in accumulated depreciation. Although the Second Street Fund reflected net income (change in net assets) of $36,470 for the year, it would have incurred a net loss of $48,530 if not for the $85,000 transfer from the Expressway Parking Deck Fund, as approved by the City of Richmond. The $18,149 decrease in net assets is related to a $36,470 increase in net assets for the Second Street Parking facility, and a $54,619 decrease in net assets for the two Carytown Parking facilities.

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, 2009. FY 2008 information is also provided for comparison.

Table A-6

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

	2009	2008	Increase (Decrease) 2009–2008
Operating revenues:			
Tolls	$ 33,114	$ 25,766	$ 7,348
Other	76	75	1
Total operating revenues	33,190	25,841	7,349
Nonoperating revenues	2,332	1,947	385
Total revenues	35,522	27,788	7,734
Operating expenses:			
Employee compensation and benefits	6,239	5,601	638
Maintenance	10,202	4,865	5,337
Depreciation	72	--	72
Consulting fees	697	1,788	(1,091)
Heat, light and power	162	139	23
Insurance	280	256	24
Toll tag processing	2,829	2,131	698
Other	802	792	10
Total operating expenses	21,283	15,572	5,711
Nonoperating expenses	9,052	9,327	(275)
Total expenses	30,335	24,899	5,436
Change in net assets	5,187	2,889	2,298
Net assets-beginning	57,773	54,884	2,889
Net assets-ending	$ 62,960	$ 57,773	$ 5,187

For FY 2009, traffic volume on the expressway system totaled 55,039,857, which compares to 56,868,808 for FY 2008. The 4,828,951 decrease in traffic volume (8.01%) was expected due to the September 8, 2008 system-wide toll increase, and construction of the ORT lanes. Toll revenue for FY 2009 totaled $33,114,311, which represents 28.5% increase over FY 2008 total of $25,765,372. Again, this increase was anticipated due to the toll increase. The $33,114,311 also includes ORT violation processing revenues of $380,706, and deferred token revenues of $164,364, which resulted in net toll revenues of $32,569,241. For FY 2008-09, when compared to budget, traffic volume was down 3.01%, while toll revenues exceeded budget by 3.38%. This inverse relationship is directly related to the better than expected violation experience in the ORT environment. While the economic downturn had an adverse impact on traffic volume, the low violation rate resulted in additional paying customers. Based on the first-year experience of other toll facilities that had implemented ORT technology throughout the nation, our revenue consultant forecasted a 13% violation rate for FY 2008-09. As of June 2009, violation rates in the ORT lanes are averaging 2.1%, which is less than the pre-ORT rate which was just under 3% for the entire expressway system

Total operating expenses for the Expressway System totaled approximately $21.3 million in FY 2009, a 36.5% increase from total operating expenses of $15.6 million for fiscal year 2008. Some of this increase was directly related first time expenses relative to the opening of the ORT lanes. These expenses included video enforcement expenses of $633,863, salary and benefits of $638,236, and ORT maintenance expenses of $175,876. Other increases in expenses included $350,000 for VDOT maintenance on the Expressway System (provided at no cost in prior years), and a $5.3 million increase in Expressway maintenance due to the completion of various projects that were expensed under the modified approach for reporting infrastructure.

Non-operating revenues increased as a result of investment fair market values at June 30th, while non-operating expenses remained basically unchanged. The $5,187,629 change in net assets is directly related to the September 8, 2009 toll increase.

Table A-7

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

	2009	2008	Increase (Decrease) 2009–2008
Operating revenues:			
Parking fees and rentals	$ 1,099	$ 1,254	$ (155)
Other	6	4	2
Total operating revenues	1,105	1,258	(153)
Nonoperating revenues	7	38	(31)
Total revenues	1,112	1,296	(184)
Operating expenses:			
Employee compensation and benefits	330	301	29
Maintenance	84	48	36
Depreciation	393	393	–
Consulting fees	26	12	14
Heat, light and power	61	42	19
Insurance	39	36	3
Other	101	52	49
Total operating expenses	1,034	884	150
Nonoperating expenses & transfers	1,143	1,356	(213)
Total expenses	2,177	2,240	(63)
Change in net assets (deficit)	(1,065)	(944)	(121)
Net assets (deficit)-beginning	(18,571)	(17,627)	(944)
Net assets (deficit)-ending	$ (19,636)	$ (18,571)	$ (1,065)

For Fiscal Year 2009, parking fees derived from the Downtown Parking Facility (the "Expressway Parking Deck") were $1.1 million, compared to $1.25 million for FY 2008. The reduction in revenue is the result of the economic downturn and construction of an office building adjacent to and over the existing parking facility, which resulted in a declined in rented spaces.

Total operating expenses, including depreciation, for the Expressway Parking Deck totaled $1,033,594 for FY 2009, compared to $883,469 for FY 2008. This 17% increase is related to budgeted increases for employee compensation, and unbudgeted expenses relative to facility maintenance and consulting and legal fees related to the new office building that is being constructed adjacent to the existing parking facility. During June 2009, upon obtaining approval from the City of Richmond, the Authority transferred $85,000 to the Second Street Parking Deck fund, to provide funding for the principal payments on the Series 1974 Second Street Parking Garage Revenue Bonds. Similar transfers were made in FY 2007 and 2008.

Table A-8

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

	2009	2008	Increase (Decrease) 2009–2008
Operating revenues:			
Parking fees and rentals	$ 72	$ 176	$ (104)
Stadium and skybox rentals	193	429	(236)
Total operating revenues	265	605	(340)
Nonoperating revenues	97	93	4
Total revenues	362	698	(336)
Operating expenses:			
Maintenance	229	361	(132)
Depreciation	301	272	29
Consulting fees	1	1	--
Heat, light and power	124	143	(19)
Insurance	27	25	2
Other	75	47	28
Total operating expenses	757	849	(92)
Change in net assets	(395)	(151)	(244)
Net assets-beginning	5,498	5,649	(151)
Net assets-ending	$ 5,103	$ 5,498	$ (395)

Total operating revenues for the baseball stadium (The Diamond) for FY 2009 were $265,688 compared to $604,565 for FY 2008. The non-operating revenues for FY 2009 were $96,694, which is $3,493 lower than the $93,201 reported for last year. 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 FY 2009 decreased $92,821 (10.9% decrease), when compared to last year. This reduction is primarily related to lower operating costs relative to the departure of the Richmond Braves. There was no baseball played at the Diamond for the calendar year 2009 season, but we do anticipate that baseball will played at the facility for the 2010 season.

Table A-9

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

	2009	2008	Increase (Decrease) 2009–2008
Operating revenues:			
Parking fees and rentals	$ 635	$ 480	$ 155
Total operating revenues	635	480	155
Nonoperating revenues	419	381	38
Total revenues	1,054	861	193
Operating expenses:			
Employee compensation and benefits	196	179	17
Maintenance	259	166	93
Consulting	1	1	--
Heat, light and power	260	232	28
Insurance	3	3	--
Other	218	293	(75)
Total operating expenses	937	874	63
Total expenses	937	874	63
Change in net assets	117	(13)	130
Net assets-beginning	49	62	(13)
Net assets-ending	$ 166	$ 49	$ 117

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 $38 thousand increase in non-operating revenues.

Operating expenses increased by 7.2% from the prior year, primarily due to employee benefits and increases for contractual services related to maintenance, HVAC and electrical services

Net assets increased from $62,182 to $117,805 as a result of a parking and lease revenunes and a $38 thousand increase in City of Richmond funding.

Table A-10

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

	2009	2008	Increase (Decrease) 2009–2008
Operating revenues:			
Parking fees and rentals	$ 219	$ 182	$ 37
Total operating revenues	219	182	37
Nonoperating revenues	86	422	(336)
Total revenues	305	604	(299)
Operating expenses:			
Employee compensation and benefits	74	70	4
Maintenance	46	14	32
Depreciation	72	73	(1)
Consulting	1	3	(2)
Heat, light and power	31	26	5
Insurance	13	11	2
Other	25	29	(4)
Total operating expenses	262	226	36
Nonoperating expenses & transfers	61	66	(5)
Total expenses	323	292	31
Change in net assets	(18)	312	(330)
Net assets-beginning	137	(175)	312
Net assets-ending	$ 119	$ 137	$ (18)

For FY 2009, operating revenues increased due to additional parking revenues at the Second Street Parking Deck. Average monthly parkers at the Second Street Deck increased from 171 for 2008, to 208 for FY 2009. Non-operating revenue decreased due to the FY 2008 $419,000 transfer from the Expressway Parking Deck Fund, to the Second Street Parking Deck Fund. The FY 2009 transfer from the Expressway Parking Deck to the Second Street Revenue Fund totaled $85,000, and provided funds for the July 1, 2009 principal payment relative to the Series 1974 Parking Garage Bonds.

Total operating expenses increased due to repairs at the two decks, which totaled approximately $42,000. Stairs were replaced at the two Carytown parking facilities, and doors and electrical repairs were undertaken at the Second Street facility.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2009, capital assets remained at the FY 2008 level of $230.2 million, which includes roads, bridges, buildings, land, the stadium and equipment. Net of accumulated depreciation, the Authority's net capital assets at June 30, 2009 totaled approximately $215.6 million.

Table A-11

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

	2009	2008	Increase (Decrease) 2009–2008
Expressway system	$ 189,881	$ 189,953	$ (72)
Boulevard Bridge	9,777	9,777	–
Land	1.629	1,629	–
Parking garages	9,808	10,274	(466)
Stadium facility	4,517	4,819	(302)
Total	$ 215,612	$ 216,452	$ (840)

See footnote 17 for additional information relative to capital assets.

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. For FY 2009, there was no significant variance between the amount budgeted and expended for maintaining and preserving infrastructure assets at targeted condition levels.

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 2009, the Authority spent approximately $9.34 million to preserve and maintain the roads and bridges at, or above, this level.

Debt Administration

At June 30, 2009, total outstanding debt for the Authority totaled $219,625,085, which consisted of the following. (See footnotes 7 and 8 for additional information relative Authority debt.)

A. Expressway System

Expressway Fund debt totaled $194,957,306, and is comprised of:

- Expressway parity debt (excluding deductions of $6,837,473 for discounts and premiums) totaled $135,855,000. Of this amount, $6,810,000 is payable July 15, 2009.

- Subordinated notes, payable to the City of Richmond, in the amount of $22,772,022. Accrued interest on these notes totaled $36,330,284 at June 30, 2009. Total debt payable to the City of Richmond totaled $59,102,306. During FY 2009, the Authority made a payment to the City of Richmond in the amount of $50,166.50 to be applied against the accrued interest.

B. Expressway Parking Deck

Outstanding Expressway Parking Deck debt payable to the City of Richmond totaled $29,632,921 (excluding deductions of $20,469 for unamortized discounts.) Of this amount, $18,875,000 was related to unpaid principal, and $10,757,921 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

The Second Street Parking Deck Fund reflected total debt of $1,892,800, which consist of:

- $600,000 relative to the 1974 Series Parking Garage Revenue Bonds. Of this amount, $85,000 is payable July 1, 2009.

- $1,292,800 relative to a 409,500 note payable to the City of Richmond. Accrued interest on this note totals $883,300. The note is payable upon retirement of the Series 1974 Bonds, but not later than 50-years.

ECONOMIC FACTORS AND THE FY 2009 BUDGET

The global economic downturn arrived in the Richmond area during calendar year 2008 in the form of plant closings, rising unemployment, home foreclosures and uncertainty in the financial markets. While the impact on investment revenue was immediate, traffic remained at or above budgeted forecasts until the first and second quarters of FY 2008-09. It was during this period that unemployment began to reflect sharp increases, and correspondingly, the Authority began to experience variances in the monthly budget to actual revenue and traffic volume. Rising unemployment directly impacts the number of daily commuter trips to the downtown Richmond and surrounding areas. As businesses close or cut back on spending, traffic activity relative to the delivery of goods and services is likewise impacted. Individuals and families curtail discretionary trips as budget conscious commuters look to reduce spending.

To better understand the possible future financial consequences of this developing pattern, in addition to the annual revenue and traffic certification required by our bond resolution, the Authority requested that our revenue consultant develop a scenario in which the economic downturn surpassed all expectations and the nation fell further into a recession. This scenario incorporated historic information relative to how prior downturns in the economy, and rising unemployment, have impacted the Authority's traffic and revenue budgets. These results were provided to our financial advisor, Davenport, and used to analyze the impact that a downturn of historical proportions would have on our baseline financial model and long range projections. Generally, the analysis found that while revenues would be adversely impacted by an additional downturn in the economy, revenues would be sufficient to satisfy all coverage ratios in accordance with the 1973 bond resolution.

For FY 2008-09, traffic volume was down 3.01%, while toll revenues exceeded budget by 3.38%. This inverse relationship is directly related to the better than expected violation experience in the ORT environment. While the economic downturn had an adverse impact on traffic volume, the low violation rate resulted in additional paying customers. As indicated above, based on the first-year experience of other toll facilities that had implemented ORT lanes throughout the nation our traffic and revenue consultant forecasted a 13% violation rate for FY 2008-09. As of June 2009, violation rates in the ORT lanes are averaging 2.1%, which is less than the pre-ORT rate which was just under 3% for the entire expressway system.

Looking to the future, it appears that employment may be stabilizing in the Richmond area, and accordingly, year-over-year traffic volume variances have been improving since March 2009.

However, we anticipate that the unemployment picture in the Richmond and surrounding area will remain uncertain for the remainder of FY 2010. The FY 2010 traffic volume forecast (52,693,000) as prepared by the Authority's traffic and revenue consultant reflects a 7.15% decrease when compared to the FY 2009 traffic budget of 56,749,000.

The Fiscal Year 2009-10 budget was developed with an eye to the uncertainty that exists regarding the economy and the corresponding adverse impacts on traffic volume and revenues. In response to this uncertainty, costs were reduced wherever possible resulting in a 9.2% decrease from the FY 2008-09 Expressway budget. We will continue to monitor monthly revenue and traffic numbers relative to budget. Should the situation continue to deteriorate beyond projections, a variety of mid-term and long-range adjustments are available, such as delaying maintenance and repair projects and continuing to reduce operational expenditures.

FY 2009-10 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 FY 2010 are projected to total $35,117,305, as certified by URS Corporation, the Authority's traffic and revenue consultant. This represents a 3.5% increase over FY 2009 revenue budget of $33,931,628. Toll revenue is forecast to increase from $31,504,000 for FY 2009 to $33,246,000 for FY 2010. This 5.5% increase is directly related to the September 8, 2008 toll increase, as July and August 2008 toll collections were under the old rate structure. Total FY 2010 revenues also include ORT violation revenues of $384,000, and investment income of $1,390,700. The ORT violation revenue represents a $615,480 reduction from the prior year estimate of $999,480. This reduction is primarily due to the Authority's low violation rate in the ORT lanes. Finally, the FY 2010 budget includes rental income of $71,605.

The FY 2010 operating expenses for the Expressway System total $12,138,713, compared to $13,364,950 for FY 2009. This represents a 9.2% decrease when compared to the FY 2009 budget. Much of this reduction is related to ORT violation processing costs which decreased $1,148,212 as a result of the lower than expected violation rate in the ORT lanes. The 9.2% reduction from the FY 2009 is also due to a $150,000 reduction relative to VDOT maintenance costs on the Expressway System.

B. Expressway Deck Budget – For FY 2008-09 revenues were expected to decline $192,583 when compared to the FY 2007-08 budget. This decrease was the result a variety of economic factors, such as the Wachovia Securities' move to Saint Louis, and the construction of new parking facilities in the Canal and Byrd Street area. Expressway Deck revenues for FY 2009-10 are expected to remain basically unchanged from the current year estimate, with a total increase of $1,376 anticipated. Although we have absorbed the Wachovia move to Saint Louis, the new Meade Westvaco and Federal Reserve parking facilities are still under construction; and therefore, it is difficult to say what impact these facilities may have on the supply of parking spaces in the area, and correspondingly, parking revenues. However, the largest impact on current year revenues is the downturn in the economy, and the construction of the Armada Hoffler building over, and adjacent to, the Expressway Deck. Although we have observed vacancies in surrounding parking decks, construction activities relative to the Armada Hoffler building make it difficult to ascertain the impact from the economy.

Expenses for FY 2009-10 are expected to increase $31,957, which equates to a 5.96% increase over the current year budget. While salaries and benefits comprise only 1.5% of this increase, a majority of the increase is related to legal and consulting fees relative to the construction of the new office building. The increase in the banking services line item is related to credit card merchant fees imposed by the banking and credit card companies.

With the anticipated completion of the Armada Hoffler building in FY 2009-10, the RMA will engage a consultant to conduct a parking study for the purpose of recommending a rate schedule that takes into consideration the downtown parking market and the overall economic environment.

C. The Stadium - Currently the Authority is in negotiations with a team regarding rental of the Diamond for the calendar year 2010 and 2011 baseball seasons. While we anticipate that the resulting agreement should provide revenues sufficient to cover annual operating expenditures for the term of the contract, funds will be required to operate the facility through the remainder of calendar year 2009. Therefore, in accordance with past practice and our agreement dated August 31, 1984 between the RMA, and the City of Richmond and the Counties of Henrico and Chesterfield, on February 20, 2009 the RMA submitted a $170,000 funding request to each jurisdiction. Shortly after June 30, 2009, the Authority received two payments in the amount of $170,000 each.

D. Main Street Station - Excluding the contribution from the City of Richmond, the FY 2009-10 revenue budget is anticipated to increase $88,704 when compared to the current year budget. This increase is primarily due to $50,500 of additional parking revenues resulting from a new contractual agreement with Virginia Commonwealth University. The new agreement, which was negotiated in the current fiscal year, provides for the rental of up to 550 spaces, monthly. The FY 2009-10 parking revenue budget of $272,500 is still below the FY 2007-08 budget of $320,000 due to uncertainty relative to the number of available parking spaces at Main Street Station resulting from ongoing archeological activities in the area. Event revenue increased $45,700 due to the popularity of the facility for weddings and other events. After the release of the FY 2010 budget, the Authority was notified that the tenant terminated their lease effective June 30, 2009. Therefore, office rent revenue budget of $179,000 will have to be adjusted to reflect this developing situation. Expenses increased a total of $33,480, which represents an increase of 3.2% over FY 2009. Much of this increase is related to salary and banking expenses.

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, 2009

	Expressway System	Expressway Parking Deck	Stadium	Main Street Station	Other Non-Major Funds	Total Business Type Activities
Assets						
Current Assets:						
Cash and cash equivalents	$ 8,326,713	$ 1,012,520	$ 15,826	$ 18,751	$ 75,746	$ 9,449,556
Restricted investments held by trustee	14,345,039	-	-	-	104,563	14,449,602
Other short-term investments	501,322	-	-	-	24,885	526,207
Accrued interest receivable	220,941	-	-	2,891	714	224,546
Receivables	76,949	7,379	1,977	227,520	143	313,968
Prepaid expenses	15,461	-	-	-	-	15,461
Total current assets	23,486,425	1,019,899	17,803	249,162	206,051	24,979,340
Noncurrent Assets:						
Restricted investments held by trustee	23,870,471	-	-	-	-	23,870,471
Other long-term investments	7,658,596	-	-	50,000	-	7,708,596
Deferred financing costs	1,434,153	64,587	-	-	-	1,498,740
Escrow assets	398,498	-	-	-	-	398,498
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	(72,516)	(6,881,706)	(5,614,356)		(1,939,696)	(14,508,274)
Net capital assets	199,657,550	8,983,968	5,129,497	-	1,841,142	215,612,157
Total noncurrent assets	233,019,268	9,048,555	5,129,497	50,000	1,841,142	249,088,462
Total assets	256,505,693	10,068,454	5,147,300	299,162	2,047,193	274,067,802
Liabilities						
Current Liabilities:						
Accounts payable and accrued liabilities	2,308,613	82,737	43,772	76,162	16,543	2,527,827
Accrued interest payable	3,114,774	-	-	-	18,000	3,132,774
Unearned revenue	2,123	9,195	-	56,500	770	68,588
Bonds & notes payable, current portion	6,318,019	5,142,049	-	-	85,000	11,545,068
Total current liabilities	11,743,529	5,233,981	43,772	132,662	120,313	17,274,257
Noncurrent Liabilities:						
Bonds and notes payable	145,471,530	13,712,482	-	-	924,500	160,108,512
Accrued interest payable	36,330,283	10,757,922	-	-	883,300	47,971,505
Total noncurrent liabilities	181,801,813	24,470,404	-	-	1,807,800	208,080,017
Total Liabilities	193,545,342	29,704,385	43,772	132,662	1,928,113	225,354,274
Net Assets (deficit):						
Invested in capital assets, net of related debt	47,868,001	(9,870,563)	5,129,497	-	831,642	43,958,577
Restricted for repairs and contingency	13,665,129	261,198	-	-	41,004	13,967,331
Unrestricted	1,427,221	(10,026,566)	(25,969)	166,500	(753,566)	(9,212,380)
Total net assets (deficit)	62,960,351	(19,635,931)	5,103,528	166,500	119,080	48,713,528
Total liabilities and net assets	$ 256,505,693	$ 10,068,454	$ 5,147,300	$ 299,162	$ 2,047,193	$ 274,067,802

See accompanying notes to financial statements

Richmond Metropolitan Authority
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended June 30, 2009

	Expressway System	Expressway Parking Deck	Stadium	Main Street Station	Other Non-Major Funds	Total Business Type Activities
Operating revenues:						
Tolls	$ 33,114,311	$ -	$ -	$ -	$ -	$ 33,114,311
Parking fees and rentals	71,605	1,099,158	72,269	632,261	218,477	2,093,770
Stadium and sky box rentals	-	-	193,419	-	-	193,419
Other	4,683	5,565	-	2,824	759	13,831
Total operating revenues	33,190,599	1,104,723	265,688	635,085	219,236	35,415,331
Operating expenses						
Employee compensation & benefits	6,239,209	329,606	-	195,566	74,437	6,838,818
Maintenance	10,201,946	84,297	229,161	259,089	46,267	10,820,760
Depreciation	72,516	393,283	301,167	-	72,455	839,421
Consulting fees	696,643	25,869	780	1,188	251	724,731
Heat, light, power	161,989	60,569	123,612	259,540	31,393	637,103
Insurance	280,231	39,268	27,296	3,427	12,311	362,533
Toll tag processing	2,828,881	-	-	-	-	2,828,881
Other	801,612	100,702	74,400	217,742	24,471	1,218,927
Total operating expenses	21,283,027	1,033,594	756,416	936,552	261,585	24,271,174
Operating income (loss)	11,907,572	71,129	(490,728)	(301,467)	(42,349)	11,144,157
Nonoperating revenues (expenses) and transfers						
Investment earnings	2,332,414	6,758	1,694	1,195	794	2,342,855
Interest expense:						
Bonds	(7,699,912)	(1,058,548)	-	-	(36,000)	(8,794,460)
Notes	(1,352,445)	-	-	-	(25,594)	(1,378,039)
Support from localities	-	-	95,000	418,077	-	513,077
Transfers	-	(85,000)	-	-	85,000	-
Total nonoperating revenues (expenses) and transfers	(6,719,943)	(1,136,790)	96,694	419,272	24,200	(7,316,567)
Change in net assets	5,187,629	(1,065,661)	(394,034)	117,805	(18,149)	3,827,590
Net assets (deficit)-beginning	57,772,722	(18,570,270)	5,497,562	48,695	137,229	44,885,938
Net assets (deficit)-ending	$ 62,960,351	$ (19,635,931)	$ 5,103,528	$ 166,500	$ 119,080	$ 48,713,528

See accompanying notes to financial statements

Richmond Metropolitan Authority
Statement of Cash Flows
Year Ended June 30, 2009

	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	$ 33,113,801	$ 1,098,292	$ 157,300	$ 468,693	$ 149,355	$ 34,987,441
Receipts from City of Richmond	-	-	-	-	70,615	70,615
Payments to suppliers	(16,503,231)	(303,285)	(342,154)	(768,344)	(114,723)	(18,031,737)
Payments to employees	(6,199,671)	(324,727)	(124,563)	(195,352)	(74,367)	(6,918,680)
Net cash provided by (used in) operating activities	10,410,899	470,280	(309,417)	(495,003)	30,880	10,107,639
Cash flows from non-capital financing activities						
Transfers	-	(85,000)	-	-	85,000	-
Receipts from localities	-	-	95,000	418,077	-	513,077
Net cash provided by (used in) non-capital financing activities	-	(85,000)	95,000	418,077	85,000	513,077
Cash flows from capital and related financing activities						
Interest paid on revenue bonds and notes	(6,907,367)	(650,000)	-	-	(36,750)	(7,594,117)
Principal paid on revenue bonds and notes	(5,980,000)	-	-	-	(25,000)	(6,005,000)
Net cash provided by (used in) capital and related financing activities	(12,887,367)	(650,000)	-	-	(61,750)	(13,599,117)
Cash flows from investing activities						
Purchase of investment securities	(39,661,438)	-	-	-	(56,826)	(39,718,264)
Proceeds from sale and maturities of investment securities	44,218,519	-	130,975	-	-	44,349,494
Interest received on investing activities	1,255,038	6,758	13,342	886	689	1,276,713
Net cash provided by (used in) investing activities	5,812,119	6,758	144,317	886	(56,137)	5,907,943
Net increase (decrease) in cash	3,335,651	(257,962)	(70,100)	(76,040)	(2,007)	2,929,542
Cash balances - beginning of the year	4,991,062	1,270,482	85,926	94,791	77,753	6,520,014
Cash balances - end of the year	$ 8,326,713	$ 1,012,520	$ 15,826	$ 18,751	$ 75,746	$ 9,449,556
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	$ 11,907,572	$ 71,129	$ (490,728)	$ (301,467)	$ (42,349)	$ 11,144,157
Depreciation	72,516	393,283	301,167	-	72,455	839,421
Changes in assets and liabilities:						
Accounts receivable	89,671	(4,835)	31,790	(151,782)	499	(34,657)
Prepaids and other	6,191	34			-	6,225
Accounts payable and accrued liabilities	(1,498,582)	12,265	(11,468)	(27,144)	40	(1,524,889)
Unearned revenue	(166,469)	(1,596)	(140,178)	(14,610)	235	(322,618)
Net cash provided (used in) operating activities	$ 10,410,899	$ 470,280	$ (309,417)	$ (495,003)	$ 30,880	$ 10,107,639
Noncash capital, financing and investing activities						
Net change in fair value of investments	$ 879,685	$ -	$ -	$ -	$ -	$ 879,685

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 two 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, for which there was no accrual for FY 2009. 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 are provided by the Virginia Department of Highways and Transportation (VDOT) in exchange for an annual contractual fee.

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 administration building constructed at the Powhite Parkway Plaza was capitalized and is depreciated.

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, 2009, two of the funds reflected a deficit in net assets. The Expressway Parking Deck reflected a deficit in net assets of $19,635,931 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 $1,027,211. The deficit is primarily the result of subordinated debt of $409,500 and $883,300 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, 2009, the carrying amount of deposits with banks was $9,348,630. The bank balance of these deposits at June 30, 2009 was $9,171,984. 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 $100,926 at June 30, 2009.

Note 5 – Investments

At June 30, 2009, funds held by the trustee in the amount of $38,320,073 are restricted because their use is limited by the terms of applicable bond covenants. Of this amount, $14,449,602 is classified as current, and $23,870,471 as non-current. Non-restricted investments total $8,234,803, for total investments of $46,554,876.

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

Investment Type	**Fair Value**	**Credit Rating**
Federal agencies:		
Bonds and Notes	$ 31,529,067	AAA, Aaa
U.S. Government Obligations - Money Market Funds	14,449,602	AAAm, Aaa
Certificate of Deposit	501,322	Collateralized
Repurchase Agreements	74,885	AAA (Collateral)
Total Investments	$ 46,554,876	

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, 2009, the fair values and investment maturities 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	$ 31,529,067	$ -	$ 11,678,996	$ 19,850,071
U.S. Treasury:				
Market funds	14,449,602	14,449,602	-	-
REPO & CD	576,207	576,207	-	-
Total Investments	$ 46,554,876	$ 15,025,809	$ 11,678,996	$ 19,850,071

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, 2009, the Authority's investment portfolio consisted of the following:

Issuer	% of Portfolio
Federal Government Money Market	31.04%
Federal Home Loan Bank - FHLB	17.47%
Federal Home Loan Mortgage Corporation – Freddie Mac	45.80%
Federal National Mortgage Association – Fannie Mae	4.46%
Certificate of Deposit	1.08%
Repurchase Agreements	0.15%

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 $74,885 in open repurchase agreements, collateralized with $82,144 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, 2009 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	$ 35,912	$ -	$ 1,900	$ 185,723	$ -	$ 223,535
Accounts	41,037	7,379	77	41,797	143	90,433
Total receivables	$ 76,949	$ 7,379	$ 1,977	$ 227,520	$ 143	$ 313,968

Note 7 – Payables

Payables at June 30, 2009 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	$ 588,038	$ 773	$ 2,826	$ 6,135	$ 216	$ 597,988
Salaries and employee benefits	709,170	49,439	6,698	3,846	305	769,458
Accounts	1,011,405	32,525	34,248	66,181	16,022	1,160,381
Total payables	$ 2,308,613	$ 82,737	$ 43,772	$ 76,162	$ 16,543	$ 2,527,827

Note 8 - Long-term liabilities

	June 30, 2008	Additions	Reductions	June 30, 2009	Due Within One Year
Bonds & notes payable:					
Expressway System - 1992 bonds	$ 5,685,000	$ -	$ 765,000	$ 4,920,000	$ 830,000
Expressway System - 1998 bonds	72,575,000	-	2,925,000	69,650,000	3,080,000
Expressway System - 1999 bonds	8,150,000	-	1,350,000	6,800,000	1,400,000
Expressway System - 2000bonds	1,320,000	-	400,000	920,000	420,000
Expressway System - 2002 bonds	27,585,000	-	25,000	27,560,000	25,000
Expressway System - 2005 New Money bonds	6,959,000	-	40,000	6,919,000	44,000
Expressway System - 2006 bonds	9,561,000	-	475,000	9,086,000	495,000
Expressway System - 2008 bonds	10,000,000			10,000,000	516,000
Issuance premiums	1,974,765	-	234,160	1,740,605	218,828
Issuance discounts	(755)	-	(393)	(362)	(305)
Deferred Amount of Refundings	(9,288,220)	-	(710,504)	(8,577,716)	(710,504)
Subordinated notes payable	22,772,022	-	-	22,772,022	-
Total Expressway system	157,292,812	-	5,503,263	151,789,549	6,318,019
Expressway Parking Deck - 1990 bonds	16,500,000	-	-	16,500,000	3,145,000
Expressway Parking Deck - 1992 bonds	2,375,000	-	-	2,375,000	2,000,000
Issuance discount	(23,804)	-	(3,335)	(20,469)	(2,951)
Total Expressway Parking Deck	18,851,196	-	(3,335)	18,854,531	5,142,049
Second Street Parking Facility- 1974 bonds	625,000	-	25,000	600,000	85,000
Second Street Parking Facility- Subordinated note payable	409,500	-	-	409,500	-
Total Second Street Parking Facility	1,034,500	-	25,000	1,009,500	85,000
Total bonds payable	177,178,508	-	5,524,928	171,653,580	11,545,068
Accrued interest					
Expressway System	38,196,076	4,417,052	3,168,071	39,445,057	3,114,774
Expressway Parking Deck	10,376,487	1,031,435	650,000	10,757,922	-
Other Non-Major Funds	876,456	61,594	36,750	901,300	18,000
Total accrued interest	49,449,019	5,510,081	3,854,821	51,104,279	3,132,774
Compensated absences	569,600	75,667	36,578	608,689	608,689
Total long-term liabilities	$ 227,197,127	$ 5,585,748	$ 9,416,327	$ 223,366,548	$ 15,286,531

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, 2009 was $4,920,000. Debt service requirements on the 1992 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
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
	$ 4,920	$ 1,114	$ 6,034

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, 2009 was $69,650,000. Debt service requirements on the 1998 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
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	3,775	2,857	6,632
2015 – 2019	26,345	10,475	36,820
2020 – 2023	26,180	2,808	28,988
	$ 69,650	$ 29,411	$ 99,061

The unamortized original issue premium and the unamortized deferred refunding amount related to the 1998 bonds were $805,566 and $5,972,380, respectively, at June 30, 2009.

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, 2009 was $6,800,000. Debt service requirements on the 1999 bonds are scheduled as follows (in thousand's):

Fiscal Year	Principal	Interest	Total
2010	$ 1,400	$ 254	$ 1,654
2011	1,460	195	1,655
2012	1,920	124	2,044
2013	2,020	43	2,063
	$ 6,800	$ 616	$ 7,416

Unamortized deferred refunding costs relative to the Expressway 1999 bonds was $201,498 at June 30, 2009.

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, 2009 was $920,000. Debt service requirements on the 2000 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2010	$ 420	$ 33	$ 453
2011	440	13	453
2012	30	2	32
2013	30	1	31
	$ 920	$ 49	$ 969

The unamortized original issue discount and the unamortized deferred refunding amount related to the Expressway 2000 bonds were approximately $362 and $83,382, respectively, at June 30, 2009.

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, 2009 was $27,560,000. Debt service requirements on the 2002 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
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	1,825	1,393	3,218
2015 – 2019	12,790	5,112	17,902
2020 – 2023	12,830	1,391	14,221
	$ 27,560	$ 13,672	$ 41,232

The unamortized original issue premium and unamortized deferred refunding amount related to the 2002 Expressway bonds were $935,039 and $1,479,738, respectively, at June 30, 2009**.**

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, 2009 was $6,919,000. Debt service requirements on the 2005 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2010	$ 44	$ 254	$ 298
2011	45	252	297
2012	45	251	296
2013	50	249	299
2014	485	239	724
2015 – 2019	3,220	862	4,082
2020 – 2023	3,030	228	3,258
	$ 6,919	$ 2,335	$ 9,254

The unamortized deferred refunding amount related to the 2005 bonds was $840,710 at June 30, 2009**.**

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, 2009 was $9,086,000. Debt service requirements on the 2006 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2010	$ 495	$ 359	$ 854
2011	515	338	853
2012	536	317	853
2013	557	295	852
2014	580	272	852
2015 – 2019	3,274	978	4,252
2020 – 2023	3,129	260	3,389
	$ 9,086	$ 2,819	$ 11,905

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, 2009 was $10,000,000. Debt service requirements on the 2008 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2010	$ 516	$ 313	$ 829
2011	599	295	894
2012	619	275	894
2013	638	255	893
2014	659	234	893
2015 – 2019	3,626	835	4,461
2020 – 2023	3,343	219	3,562
	$ 10,000	$ 2,426	$ 12,426

Expressway System - Defeased Bonds

At June 30, 2009, outstanding bonds in the amount of $43,795,000 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 $50,166.50 in fiscal year 2009. 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, 2009 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, 2009, 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, 2009 was $600,000. Debt service requirements on the 1974 bonds are scheduled as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2010	$ 85	$ 33	$ 118
2011	95	28	123
2012	95	23	118
2013	105	16	121
2014 – 2015	220	14	234
	$ 600	$ 114	$ 714

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, 2009 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	$ 2,500	$ 9,295	$ 11,795
2010	645	979	1,624
2011	725	935	1,660
2012	850	884	1,734
2013	950	825	1,775
2014	1,090	758	1,848
2014 – 2018	7,670	2,454	10,124
2019 – 2020	2,070	145	2,215
	$ 16,500	$ 16,275	$ 32,775

The unamortized original issue discount related to these bonds amounted to $20,469 at June 30, 2009.

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 2009 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, 2009 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	$ 1,875	$ 1,462	$ 3,337
2010	125	28	153
2011	125	20	145
2012	125	12	137
2013	125	4	129
	$ 2,375	$ 1,526	$ 3,901

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 2009 due to insufficient cash flows. The Authority made a partial interest payment to the City of Richmond in FY 2009 of $650,000, which was mailed on July 17, 2008. Another payment in the amount of $405,788 was mailed to the City on August 11, 2009. 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, 2009 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 $50,166.50 interest payment relative to the subordinated notes in July 2008, and another payment of $120,832 in July 2009. Excluding the FY 2010 payment of

$120,832, accrued interest relative to the subordinated debt totaled $36,330,283 at June 30, 2009, for a total outstanding principal and interest balance of $59,102,305.

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 $883,300 at June 30, 2009.

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 two Carytown Parking Facilities. Under the terms of the agreements, the Authority agreed to operate and manage the Carytown Parking Facilities, and the City agreed to provide the Authority with funds sufficient to carry out all responsibilities as defined in the two agreements. Annually, the Authority submits to the City 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 $70,259 for operations were received from the City during fiscal year 2009 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 2009, 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 9.13% of annual covered payroll in FY 2009, 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 2009, the Authority's annual pension cost of $386,425 (9.13% 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, 2007 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
2009	$ 386,425	100%	–
2008	370,325	100	–
2007	356,447	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 was 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, 2008	$ 11,727,694	$ 10,952,742	$ 774,952	107.07%	$ 4,103,191	18.89%

Note 13 - Other post-employment benefits

Plan Description

In addition to the pension benefits described in Note 12 (defined benefit pension plan), the Authority provides other postemployment health care benefits (“OPEB”) for retired employees through a single-employer defined benefit plan (“Plan”). The benefit levels, employee contributions and employer contributions are governed by the Authority and can be amended by the Authority with approval of the RMA Board.

The Authority participates in the Virginia Pooled OPEB Trust Fund (“Trust Fund”), which is an “agent multiple-employer plan” that operates an irrevocable trust established for the purpose of accumulating assets to fund postemployment health care benefits other than pensions. The trust fund is established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for the purpose of GASB Statement 45 are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with terms of the plan. The Trust Fund issues a separate Comprehensive Annual Financial Report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (“VML”) at P.O. Box 12164, Richmond, Virginia 23241.

Plan Provisions

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 one of the three plans, an employee must:

A. Be 60 years old at the time of retirement
B. Eligible for VRS Retirement
C. Have a least 10 years of full-time RMA service (25 years of full-time service for employees hired July 1, 2007, or after)
D. Retired in good standing from the RMA

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 third tier, retirees are responsible for 100 percent of monthly premium relative to their spouse. For FY 2009, the combined premium expense for the three tiers totaled approximately $58,665.

The first 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. Eligible retirees who participate in the RMA health plan will receive a monthly contribution credit of $6 for each year of full-time RMA service. As of June 30, 2009, 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. This plan provides a monthly contribution credit equaled to a percentage of the monthly premium. The contribution percentage is based on the following graduated years of RMA service scale:

Years of RMA Service	Contribution Percentage *1
0-14	0%
10-15	25%
15-20	50%
20-25	75%
25+	100%

*1 – Percent of monthly premium

The third tier retiree medical benefit plan is reserved for employees hired prior to July 1, 1998. The Authority will pay 100 percent of the employee's and fifty percent of the spouse's monthly premium, less a $15 per month retiree contribution. Upon the death of the retiree, the surviving spouse may continue coverage at full cost. As of June 30, 2009, 11 employees qualify for this tier.

Eligible retirees who are age 65 or over must enroll in Medicare Part B coverage, and can participate only in the RMA health insurance plans that coordinate with Medicare benefits. Effective January 1, 2006, the monthly Medicare supplement is $3 for each full year of RMA service. The plan is not capped; therefore, all VRS service will be recognized for the supplement.

Membership

At June 30, 2009, membership consisted of:

Retirees and beneficiaries	16
Active employees	107
Total participants	123

Funding Policy

The Authority plans to contribute amounts to the Virginia Pooled OPEB Trust Fund sufficient to fully fund the Annual Required Contribution ("ARC"), an actuarially determined contribution amount in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

Annual OPEB Cost and Net OPEB Obligation (Asset)

In accordance with GASB Statement No. 45, an actuarial study was prepared calculating the postemployment healthcare cost as of July 1, 2008. The actuarial evaluation estimated the Unfunded Actuarial Accrued Liability ("UAAL") at $2,479,824 and an ARC of $355,342. The postemployment healthcare cost was determined under the Projected Unit Credit Actuarial Cost Method. The calculation was based on a 7.0 percent discount rate and the amortization of the UAAL over 12 years. The 12 year amortization period coincides with the 2022 retirement of RMA debt, and the anticipated transfer of the Expressway System to the City of Richmond. This represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and the amortization of the UAAL over 12 years. The current ARC of $355,342 is 8.2 percent of annual covered payroll. The following table presents the OPEB cost for the year, the amount contributed and changes in the OPEB Plan for the year ended June 30, 2009.

NET OPEB OBLIGATION (ASSET)

Annual Required Contribution (ARC)	$	355,342
Interest on Net OPEB Obligation (Asset)		-
Adjustment to the ARC		-
Annual OPEB Cost		355,342
Employer's Contributions:		
To OPEB Trust		273,773
Retiree Premiums		81,569
Total Employer Contributions		355,342
Net OPEB Obligation (Asset) beginning of year		-
Net OPEB Obligation (Asset) end of year	$	-

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009 is as follows:

TREND INFORMATION FOR THE AUTHORITY

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Contributed	Net OPEB Liability (Assets)
June 30, 2009	$355,342	100%	$ -

Actuarial Methods and Assumptions

The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the July 1, 2008 actuarial valuation, the Projected Unit Credit Actuarial Cost Method was used. The actuarial assumptions included a 7.00 percent rate of return and an annual healthcare cost trend rate of 8.00 percent trending down over the next five years to a rate of 5.00 percent for future years. The remaining amortization period at June 30, 2009 for the UAAL was 11 years.

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, 2009.

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. Accordingly, no baseball will be played at the Diamond for the calendar year 2009 season. On September 29, 2009 the RMA Board of Directors authorized the General Manager to enter into a lease agreement with a double-A team for the 2010 and 2011 seasons.

Main Street Station – During FY 2009, the City of Richmond leased approximately 12,203 square feet of office space in the Main Street Station to a local company. Rental payments were paid directly to the RMA and are reflected in the enclosed financial statements. The agreement was effective December 1, 2006, and was scheduled to terminate November 30, 2011. However, via an adjudicated settlement, the lease expired June 30, 2009.

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
2010	134,600
2011	115,000

Rent expense on all leases amounted to approximately $146,757 in 2009.

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, 2009:

	June 30, 2008	Additions	Deletions	June 30, 2009
Capital assets, not being depreciated:				
Land	$ 1,628,981	$ -	$ -	$ 1,628,981
Expressway System	187,051,962	-	-	187,051,962
Boulevard Bridge	9,777,483	-	-	9,777,483
Total capital assets, not being depreciated	198,458,426	-	-	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	10,131,853	-	-	10,131,853
Total capital assets, being depreciated	31,662,005	-	-	31,662,005
Less accumulated depreciation for:				
Powhite Administration Building	-	(72,516)	-	(72,516)
Parking Garages	(8,355,664)	(465,738)	-	(8,821,402)
Stadium Facility	(5,313,189)	(301,167)	-	(5,614,356)
Total accumulated depreciation	(13,668,853)	(839,421)	-	(14,508,274)
Total capital assets, being depreciated, net	17,993,152	(839,421)	-	17,153,731
Total capital assets, net	$ 216,451,578	$ (839,421)	$ -	$ 215,612,157

Depreciation expense for the year ended June 30, 2009 related to capital assets was $839,421. 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	$ 161,665
Capital assets	730,863
Total assets	892,528
Liabilities:	
Current liabilities	111,939
Noncurrent liabilities	1,807,800
Net assets (deficit):	
Invested in capital assets, net of related debt	(278,637)
Restricted	25,727
Unrestricted	(774,301)
Total liabilities and net assets	$ 892,528
Condensed statement of revenues, expenses and changes in net assets	
Operating revenues	$ 148,977
Depreciation	(42,247)
Other operating expenses	(94,010)
Operating income (loss)	12,720
Nonoperating revenue (expenses):	
Net investment earnings	344
Interest expense	(61,594)
Transfers	85,000
Change in net assets	36,470
Beginning net assets (deficit)	(1,063,681)
Ending net assets (deficit)	$ (1,027,211)
Condensed statement of cash flows	
Net cash provided by:	
Operating activities	$ 55,997
Non-Capital financing activities	85,000
Capital & financing activities	(61,750)
Investing activities	(56,587)
Net increase (decrease)	22,660
Beginning cash and cash equivalents	8,727
Ending cash and cash equivalents	$ 31,387

Note 19 – Subsequent Events

- In July 2009, the Authority was notified that the Main Street Station tenant terminated their lease effective June 30, 2009. This lease was scheduled to expire November 30, 2011. As a result, budgeted FY 2010 office rent in the amount of $179,000 will have to be adjusted to reflect this developing situation. The immediate rental of this space remains uncertain.

- On September 29, 2009 the RMA Board of Directors authorized the General Manager to enter into a lease agreement with a double-A team for the 2010 and 2011 seasons.

Required Supplementary Information (Unaudited)

RICHMOND METROPOLITAN AUTHORITY

Required Supplementary Information (Unaudited)
Year Ended June 30, 2009

Virginia Retirement System - 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, 2008 actuarial valuation. This information, which has not been audited by independent auditors, is summarized below:

Schedule of Funding Progress
June 30, 2009

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, 2008	$ 11,727,694	$ 10,952,742	$ 774,952	107.07%	$ 4,103,191	18.89%
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%

OPEB Funded Status and Funding Progress (Unaudited)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality, and health care cost trends. The amounts determined from the actuarial study regarding the funded status of the Plan and annual required contributions of the Authority are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the AAL.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Actuarial Accrued Liability (UAAL)	Ratio Funded Obligation	Covered Payroll	UAAL as a % of Covered Payroll
06/30/2008	$274,090	$2,479,824	$2,205,734	11%	$4,333,333	51%

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.

	Rating			
Fiscal Year	Group 1	Group 2	Group 3	Group 4
2009	86.1%	13.9%	0.0%	0.0%
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%

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
2008-2009	$ 3,000,000	$ 9,343,808
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

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 that 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%

Repair and Contingency Fund Budgeted and Estimated Costs, Last Five Years

- 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.

- For FY 2009, expenses increased $4,479,277 primarily due to the completion of construction activity relative to the ORT lanes on the Powhite Parkway, in July and August of 2008. The Authority also initiated three major repair contracts related to signage, maintenance and repair, and coatings.

Supplementary Information

Richmond Metropolitan Authority
Non-Major Funds
Combining Balance Sheet
June 30, 2009

	Second Street Facility	Carytown Facilities	Total Non-major Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 31,387	$ 44,359	$ 75,746
Restricted investments held by trustee	104,563	-	104,563
Other short-term investments	24,885	-	24,885
Accrued interest receivable	714	-	714
Receivables	116	27	143
Total current assets	161,665	44,386	206,051
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	(1,394,024)	(545,672)	(1,939,696)
Net capital assets	730,863	1,110,279	1,841,142
Total noncurrent assets	730,863	1,110,279	1,841,142
Total assets	892,528	1,154,665	2,047,193
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	8,169	8,374	16,543
Accrued interest payable	18,000	-	18,000
Unearned revenue	770	-	770
Bonds & notes payable, current portion	85,000	-	85,000
Total current liabilities	111,939	8,374	120,313
Noncurrent Liabilities:			
Bonds and notes payable	924,500	-	924,500
Accrued interest payable	883,300	-	883,300
Total noncurrent liabilities	1,807,800	-	1,807,800
Total Liabilities	1,919,739	8,374	1,928,113
Net Assets (deficit):			
Invested in capital assets, net of related debt	(278,637)	1,110,279	831,642
Restricted for repairs and contingency	25,727	15,277	41,004
Unrestricted	(774,301)	20,735	(753,566)
Total net assets (deficit)	(1,027,211)	1,146,291	119,080
Total liabilities and net assets	$ 892,528	$ 1,154,665	$ 2,047,193

Richmond Metropolitan Authority
Non-Major Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Year Ended June 30, 2009

	Second Street Facility	Carytown Facilities	Total Non-major Funds
Operating Revenues			
Operating revenues:			
Parking fees and rentals	$ 148,218	$ 70,259	$ 218,477
Other	759	-	759
Total operating revenues	148,977	70,259	219,236
Operating expenses			
Employee compensation & benefits	33,219	41,218	74,437
Maintenance	16,156	30,111	46,267
Depreciation	42,247	30,208	72,455
Consulting fees	102	149	251
Heat, light, power	25,671	5,722	31,393
Insurance	8,441	3,870	12,311
Other	10,421	14,050	24,471
Total operating expenses	136,257	125,328	261,585
Operating income (loss)	12,720	(55,069)	(42,349)
Nonoperating revenues (expenses)			
Investment earnings	344	450	794
Interest expense:			
Bonds	(36,000)	-	(36,000)
Notes	(25,594)	-	(25,594)
Transfers	85,000	-	85,000
Total operating revenues (expenses)	23,750	450	24,200
Change in net assets	36,470	(54,619)	(18,149)
Net assets (deficit)-beginning	(1,063,681)	1,200,910	137,229
Net assets (deficit)-ending	$ (1,027,211)	$ 1,146,291	$ 119,080

Richmond Metropolitan Authority
Combining Statement of Cash Flows
Year Ended June 30, 2009

	Second Street Facility	Carytown Facilities	Total Non-major Funds
Cash flow from operating activities			
Receipts from customers	$ 149,355	$ -	$ 149,355
Receipts from City of Richmond	-	70,615	70,615
Payments to suppliers	(60,209)	(54,514)	(114,723)
Payments to employees	(33,149)	(41,218)	(74,367)
Net cash provided by (used in) operating activities	55,997	(25,117)	30,880
Cash flows from non-capital financing activities			
Transfers	85,000	-	85,000
	85,000	-	85,000
Cash flows from capital and related financing activities			
Interest paid on revenue bonds and notes	(36,750)	-	(36,750)
Principal paid on revenue bonds and notes	(25,000)	-	(25,000)
Net cash used by capital and related financing activities	(61,750)	-	(61,750)
Cash flows from investing activities			
Purchase of investment securities	(56,826)	-	(56,826)
Interest received on investing activities	239	450	689
Net cash provided by (used in) investing activities	(56,587)	450	(56,137)
Net increase (decrease) in cash	22,660	(24,667)	(2,007)
Cash balances - beginning of the year	8,727	69,026	77,753
Cash balances - end of the year	$ 31,387	$ 44,359	$ 75,746
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ 12,720	$ (55,069)	$ (42,349)
Depreciation	42,247	30,208	72,455
Changes in assets and liabilities:			
Accounts receivables	143	356	499
Prepaids and other	-	-	-
Accounts payable and accrued liabilities	652	(612)	40
Unearned revenue	235	-	235
Net cash provided (used in) operating activities	$ 55,997	$ (25,117)	$ 30,880
Noncash capital, financing and investing activities			
Net change in fair value of investments	$ -	$ -	$ -

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 Seven Years

Fiscal Year	Invested in Capital Assets Net of Related Debt	Restricted Net Assets (1)	Unrestricted Net Assets	Total Net Assets
2003 (2)	$ 11,864,943	$ 7,331,286	$ 137,356	$ 19,333,585
2004	16,683,617	12,909,099	(4,142,692)	25,450,024
2005	25,258,578	17,657,309	(11,331,645)	31,584,242
2006	31,944,663	14,048,201	(10,561,171)	35,431,693
2007	37,002,460	15,976,753	(10,186,159)	42,793,054
2008	44,980,515	9,890,574	(9,985,151)	44,885,938
2009	43,958,577	13,967,331	(9,212,380)	48,713,528

(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
Fiscal Year 2003 to 2007

	2003 (1)	2004	2005	2006	2007
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
Restricted	6,945,993	12,523,419	17,250,964	13,856,981	15,659,148
Unrestricted	7,330,758	3,787,786	(2,981,255)	(1,871,529)	(611,009)
Total net assets (deficit)	27,430,050	33,975,428	41,061,290	46,327,452	54,884,316
Downtown Parking					
Invested in capital assets, Net of related debt	(7,502,242)	(7,712,048)	(8,129,108)	(8,546,169)	(9,075,373)
Restricted	72,797	63,322	183,394	191,220	262,659
Unrestricted	(6,768,857)	(7,412,324)	(7,934,621)	(8,424,154)	(8,814,419)
Total net assets (deficit)	(14,198,302)	(15,061,050)	(15,880,335)	(16,779,103)	(17,627,133)
Stadium					
Invested in capital assets, Net of related debt	5,647,512	6,055,074	5,992,191	5,854,885	5,690,102
Restricted	312,496	322,358	222,951	-	-
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
Main Street Station					
Unrestricted	-	233,816	216,393	157,778	62,180
Total net assets (deficit)	-	233,816	216,393	157,778	62,180
Non-major Funds					
Invested in capital assets, Net of related debt	566,374	676,368	603,914	531,459	551,554
Restricted	-	-	-	-	54,946
Unrestricted	(372,250)	(576,303)	(570,013)	(599,696)	(781,842)
Total net assets (deficit)	194,124	100,065	33,901	(68,237)	(175,342)

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

Table 2 (continued)
Richmond Metropolitan Authority
Net Assets (Deficit) by Component by Fund
Fiscal Year 2008 to 2009

	2008 (1)	2009
Expressway System		
Invested in capital assets, Net of related debt	$48,144,699	$47,868,001
Restricted	9,454,748	13,665,129
Unrestricted	173,275	1,427,221
Total net assets (deficit)	57,772,722	62,960,351
Downtown Parking		
Invested in capital assets, Net of related debt	(9,473,945)	(9,870,563)
Restricted	327,361	261,198
Unrestricted	(9,423,686)	(10,026,566)
Total net assets (deficit)	(18,570,270)	(19,635,931)
Stadium		
Invested in capital assets, Net of related debt	5,430,664	5,129,497
Restricted	66,898	-
Unrestricted	-	(25,969)
Total net assets (deficit)	5,497,562	5,103,528
Main Street Station		
Unrestricted	48,695	166,500
Total net assets (deficit)	48,695	166,500
Non-major Funds		
Invested in capital assets, Net of related debt	879,097	831,642
Restricted	41,567	41,004
Unrestricted	(783,435)	(753,566)
Total net assets (deficit)	137,229	119,080

(1) Management of the Main Street Station began July 1, 2003. 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)	Contributions from Localities	Change in Net Assets
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
2009	35,415,331	24,271,174	11,144,157	(7,829,644)	513,077	3,827,590

(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
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
2009	33,190,599	21,283,027	11,907,572	(6,719,943)	5,187,629

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
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)
2009	1,104,723	1,033,594	71,129	(1,136,790)	(1,065,661)

Table 6

Richmond Metropolitan Authority

Stadium Changes in Net Assets

Last Ten Fiscal Years

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues/ (Expenses)	Contributions from Localities	Change in Net Assets
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)
2009	265,688	756,416	(490,728)	1,694	95,000	(394,034)

Table 7

Richmond Metropolitan Authority

Main Street Station Changes in Net Assets

Last Six Fiscal Years (1)

Fiscal Year	Operating Revenue	Operating Expenses	Operating Income	Total Nonoperating Revenues/ (Expenses)	Reimbursements 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)
2009	635,085	936,552	(301,467)	1,195	418,077	117,805

(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
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
2009	148,977	136,257	12,720	23,750	36,470

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
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)
2009	70,259	125,328	(55,069)	450	(54,619)

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
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
2009	33,190,599	148,977	1,104,723	70,259	265,688	635,085	35,415,331

(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
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
2009	21,283,027	136,257	1,033,594	125,328	756,416	936,552	24,271,174

(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
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
2009 (2)	33,114,311	1,738,644	548,545	13,831	35,415,331

(1) Advertising fees, late fees, forfeited deposits and miscellaneous charges.
(2) A toll increase was implemented September 9, 2008.

Table 13
Richmond Metropolitan Authority
Toll Rates Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Two-axle vehicles:										
Powhite Parkway	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70
Forest Hill Avenue	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70
Douglasdale Road	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.20
Boulevard Bridge	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.35
Downtown Expressway	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70
Second Street	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.35
Eleventh Street	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.30
Three-axle vehicles:										
Powhite Parkway	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.80
Forest Hill Avenue	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.80
Douglasdale Road	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.40
Boulevard Bridge	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70
Downtown Expressway	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.80
Second Street	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70
Eleventh Street	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.60
Four-axle vehicles:										
Powhite Parkway	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.90
Forest Hill Avenue	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.90
Douglasdale Road	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.40
Boulevard Bridge	-	-	-	-	-	-	-	-	-	-
Downtown Expressway	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.90
Second Street	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70
Eleventh Street	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.60
Five-axle vehicles:										
Powhite Parkway	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	1.00
Forest Hill Avenue	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	1.00
Douglasdale Road	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.40
Boulevard Bridge	-	-	-	-	-	-	-	-	-	-
Downtown Expressway	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	1.00
Second Street	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.70
Eleventh Street	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.60

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			Coverage
				Principal(2)	Interest	Total	
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
2009	34,409,168	11,866,709	22,542,459	6,810,000	6,859,334	13,669,334	1.65

(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			Coverage
				Principal (2)	Interest	Total	
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
2009	234,321	94,010	140,311	85,000	36,000	121,000	1.16

(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. A transfer of $85,000 was required in FY 2009.

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			Coverage (2)
				Principal	Interest	Total	
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
2009	1,111,481	725,311	386,170	660,000	1,029,584	1,689,584	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 2009 Number of Employees	Rank	Percentage of Top 50 Employers	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
State government	25,728	1	14.23 %	27,124	1	15.01 %	26,463	1	14.64 %	25,405	1	14.06 %
Federal Government	15,300	2	8.46	15,100	2	8.35	15,300	2	8.46	15,100	2	8.35
Chesterfield County	11,369	3	6.29	11,067	3	6.12	10,826	3	5.99	10,467	3	5.79
Henrico County	10,545	4	5.83	10,372	4	5.74	10,124	4	5.60	9,848	4	5.45
Richmond City	8,672	5	4.80	8,445	5	4.67	8,542	5	4.73	8,833	5	4.89
VCU Health System	7,399	6	4.09	7,082	6	3.92	6,990	8	3.87	6,729	8	3.72
Capital One Fin. Corp.	6,703	7	3.71	6,474	8	3.58	7,389	7	4.09	7,057	6	3.90
HCA Inc.	6,624	8	3.66	6,941	7	3.84	6,418	6	3.55	6,678	9	3.69
Wal-Mart Stores Inc.	6,238	9	3.45	6,173	9	3.42	5,862	10	3.24	5,371	10	2.97
Dominion Resources Inc	5,761	10	3.19	5,362	10	2.97	-		-	-	-	-
Totals	104,339		57.72	104,140		56.54	97,914		54.03	95,488		53.94
Other employers	76,415		42.28	80,032		43.46	83,300		45.97	81,533		46.06
Total Top 50 employers	180,754		100.00 %	184,172		100.00 %	181,214		100.00 %	177,021		100.00 %

Source: Richmond Times Dispatch.

Table 18

Richmond Metropolitan Authority

Metropolitan Area Estimated Population Data

Last Ten Years

Year	City of Richmond	Chesterfield County	Henrico County	Total
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
2009	195,463	303,538	291,767	790,768

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

Table 19

Richmond Metropolitan Authority

Operating and Capital Indicators

Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Expressway										
Traffic										
Powhite	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	31,381,286
Downtown Expressway	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	18,857,745
Boulevard Bridge	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	4,800,726
Total	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	55,039,857
Lane Miles	45.00	45.00	45.00	45.00	45.00	45.00	45.00	46.94	45.91	45.91
Stadium:										
Attendance	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	--
Parking:										
Number of spaces:										
Carytown	220	220	220	220	220	220	220	220	220	220
Second 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 Eight Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009
Summary:								
Full-Time	99	99	98	99	101	100	110	115
Part-Time	31	37	34	36	34	34	32	32
Total Employees	130	136	132	135	135	134	142	147
Expressway:								
Full-Time	80	80	79	79	82	80	89	94
Part-Time	25	31	28	30	28	27	26	26
Total Employees	105	111	107	109	110	107	115	120
Central Administration:								
Full-Time	17	17	17	17	16	16	17	17
Part-Time	1	1	1	1	1	1	1	1
Total Employees	18	18	18	18	17	17	18	18
Parking:								
Full-Time	2	2	2	2	2	2	2	2
Part-Time	5	5	5	5	5	6	5	5
Total Employees	7	7	7	7	7	8	7	7
Main Street Station (1):								
Full-Time	-	-	-	1	1	2	2	2
Part-Time	-	-	-	-	-	-	-	-
Total Employees	-	-	-	1	1	2	2	2

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

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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, 2009, and have issued our report thereon dated October 7, 2009. 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 October 7, 2009.

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
October 7, 2009