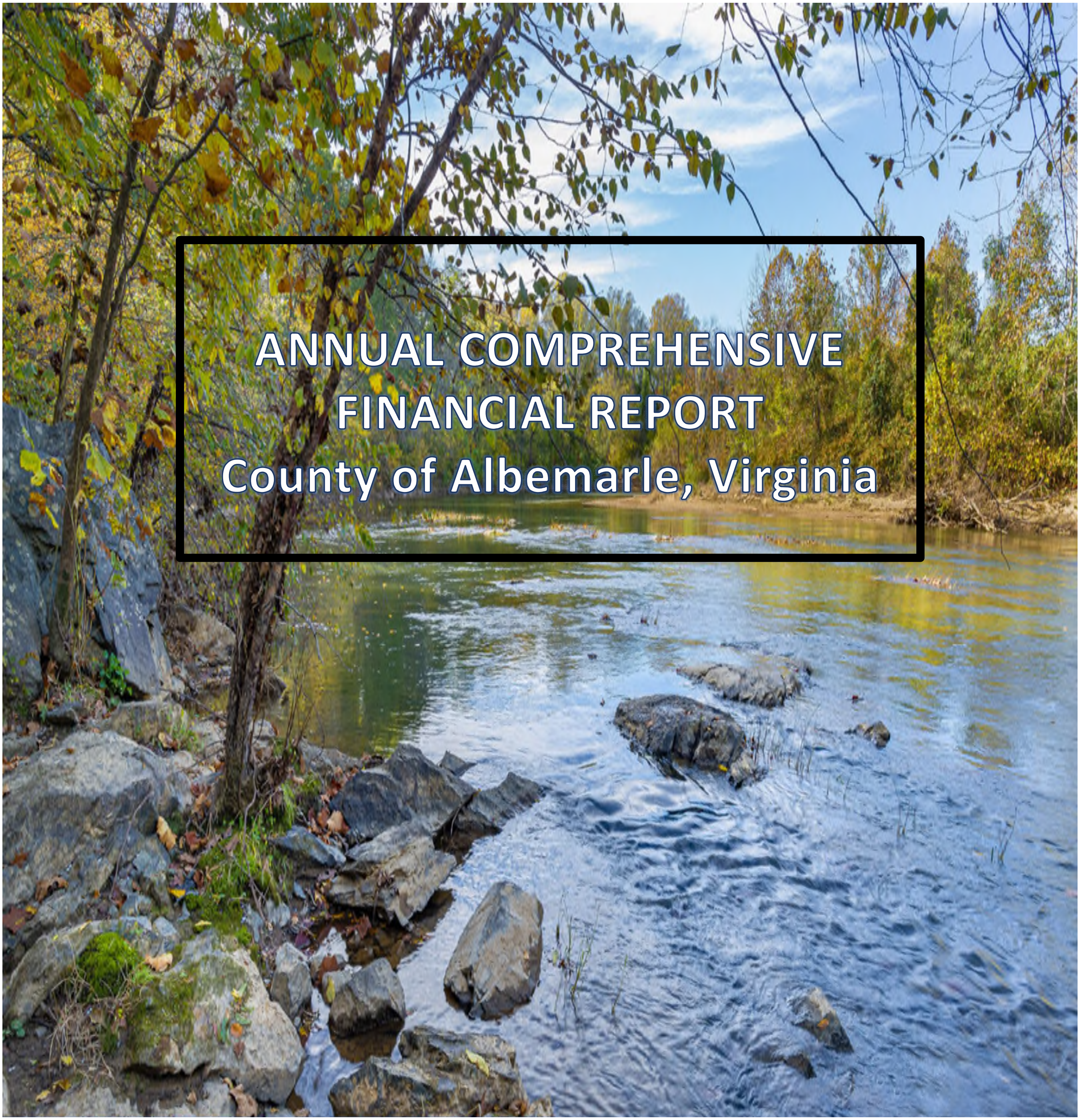

ANNUAL COMPREHENSIVE FINANCIAL REPORT
County of Albemarle, Virginia

Fiscal Year Ended June 30, 2023

COUNTY OF ALBEMARLE, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

June 30, 2023

Prepared by:

County of Albemarle, Virginia
Department of Finance and Budget

COUNTY OF ALBEMARLE, VIRGINIA

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COUNTY OF ALBEMARLE
Department of Finance & Budget
Telephone (434) 296-5855 Fax (434) 872-4598

December 14, 2023

To the Honorable Board of Supervisors and the County of Albemarle Community:

We are pleased to present the County of Albemarle's Annual Comprehensive Financial Report (ACFR), for the fiscal year ended June 30, 2023. Responsibility for the accuracy and completeness of the data presented and the fairness of the presentations, including all disclosures, rests with the County. We believe the data presented is accurate in all material aspects and that it is designed and presented in a manner to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. All the necessary disclosures have been included to enable the reader to gain the maximum understanding of the County's financial affairs. This report also may be found online at https://www.albemarle.org/government/finance.

The financial statements of Albemarle County are prepared in accordance with generally accepted accounting and reporting principles as determined by the Governmental Accounting Standards Board (GASB), using the financial reporting model as prescribed by the GASB Statement No. 34, *Basic Financial Statements*, and *Management's Discussion and Analysis - for State and Local Governments* (GASB 34).

In accordance with Generally Accepted Accounting Principles (GAAP), a narrative introduction, overview, and analysis accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The County of Albemarle's MD&A can be found immediately following the report of the independent auditors.

THE REPORTING ENTITY AND ITS SERVICES

A diverse locality of 726 square miles in the heart of Central Virginia, Albemarle County is a blend of primarily rural, but also suburban and urban settings. Albemarle County is 110 miles southwest of Washington, D.C. and 70 miles west of the state capital in Richmond. It is the sixth largest county by area in the Commonwealth of Virginia. At the center of the County is the ten-square mile City of Charlottesville. Albemarle County's urban areas include the development area around Charlottesville, the Town of Scottsville, and Crozet. Albemarle County is located within the Charlottesville Metropolitan Statistical Area, which includes Albemarle County, Fluvanna County, Greene County, and the City of Charlottesville.

The County of Albemarle was formed from the County of Goochland in 1744 by an act of the Virginia General Assembly. The County is named for William Anne Keppel, the Second Earl of Albemarle, who was at that time the Governor-General of Virginia. Scottsville was the original County seat until 1761 when the County Government was moved to Charlottesville. The original land area included today's counties of Amherst, Buckingham, Fluvanna, Nelson, and portions of Appomattox and Campbell Counties. The present boundaries of the County were established in 1777. The development of the County and its 726 square miles is such that although it contains a large urban area, it also has a considerable amount of agricultural, commercial, and industrial land.

The County adopted the County Executive form of government and organization in 1933. Under this form of government, the County is governed by a popularly elected six-member Board of Supervisors representing each of the County's magisterial districts. A County Executive, appointed by the Board of Supervisors, serves as the County's chief executive officer. The County Executive is responsible for implementing policies set by the Board of Supervisors, and for directing, coordinating, and supervising the daily activities of County government. The Chief Financial Officer/Director of Finance is responsible for the administration of the financial affairs of the county, including the budget; the custody of all public funds belonging to or handled by the county; the supervision of the expenditures of the county and its subdivisions; the disbursement of county funds; the purchase, storage and distribution of all supplies, materials, equipment, and contractual services needed by any department, office or other using agency of the county unless some other officer or employee is designated for this purpose; and the keeping and supervision of all accounts. The Chief Financial Officer/Director of Finance assumes the role of Treasurer and Commissioner of Revenue.

A seven-member School Board elected by County voters oversees school issues. A Superintendent of Schools is appointed by the School Board and is responsible for providing leadership and oversight of Albemarle's Public Schools. The County contains the independent Town of Scottsville, which is governed by an elected six-member town council.

The County provides a full range of governmental services. Major programs include administration, judicial, public safety, public works, human development, parks and recreation, education, and community development. The County also serves as fiscal agent for several City/County jointly governed entities that include the Charlottesville/UVA/Albemarle County Emergency Communications Center, the Charlottesville Albemarle Convention and Visitors Bureau, and the Blue Ridge Juvenile Detention Commission.

Public Schools

Albemarle County Public Schools (ACPS) operates 15 elementary schools, 5 middle schools, 3 comprehensive high schools, and one community charter school serving grades 6-12, plus four high school career academies, one high school center specializing in project-based learning, one education center specializing in short-term intervention, and one special education center designed to support the transition from school to adult life. Additionally, ACPS jointly operates three regional centers, including a technical education center, a center serving special education students, and a center serving students with emotional disabilities.

Over the past ten years, the number of enrolled students in Albemarle County's public schools has risen 2.43% from 13,263 in 2012-2013 to 13,970 in 2022-2023. However in the past five years, the school system has experienced a 0.37% decrease in the number of students. In the 2022-2023 school year, 24 Albemarle County public schools were accredited, 3 were accredited with conditions. The class of 2023 completed with 63.8% of students graduating with advanced diplomas and a dropout rate of 4.2%.

Higher Education

The County is also home to three institutions of higher learning, the University of Virginia (UVA); Piedmont Virginia Community College (PVCC); and American National University (ANU).

Founded in 1819 by Thomas Jefferson, the University of Virginia is situated on 188 acres and has a current student enrollment of over 26,000. In 2022 (for the 2023 edition), the U.S. News and World Report ranked the University as a tie for the nation's 5th best public university and 24th best among all national universities. The University is comprised of the Schools of Architecture, Business, Commerce, Continuing and Professional Studies, Data Science, Engineering and Applied Science, Law, Leadership and Public Policy, Medicine, Nursing, Education, and the College of Arts and Sciences.

Piedmont Virginia Community College (PVCC) is a nonresidential two-year institution of higher education. PVCC offers Associates Degrees, as well as transfer opportunities to a four-year college or university to complete a bachelor's degree. Piedmont Virginia Community College has guaranteed admission agreements with most colleges and universities in Virginia. PVCC is accredited by the Southern Association of Colleges and Schools Commission on Colleges. PVCC also offers extensive workforce training programs for local employees.

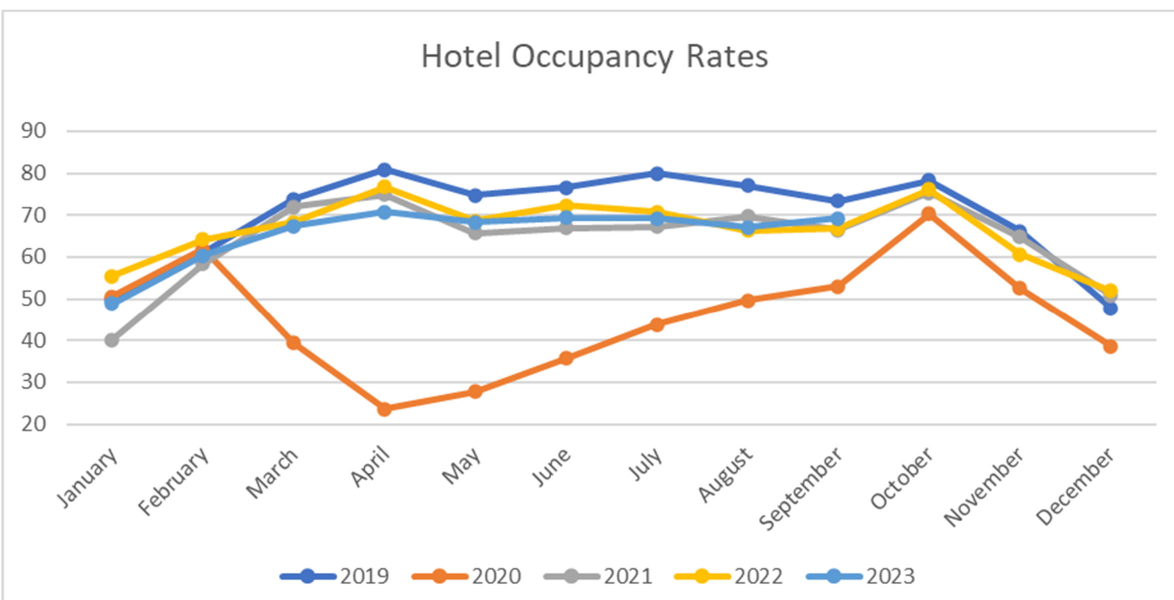
THE REPORTING ENTITY AND ITS SERVICES: (CONTINUED)
Higher Education (Continued)

American National University opened its Charlottesville campus in 1979 and continues to build on its reputation among Central Virginia employers for its skilled graduates. ANU offers many diploma programs, as well as Associates, Bachelor's and Master's Degrees in medical, business, and technology fields including Medical Health Services Management and Cybersecurity. American National University is accredited by the Accrediting Council for Independent Colleges and Schools (ACICS).

Travel and Tourism

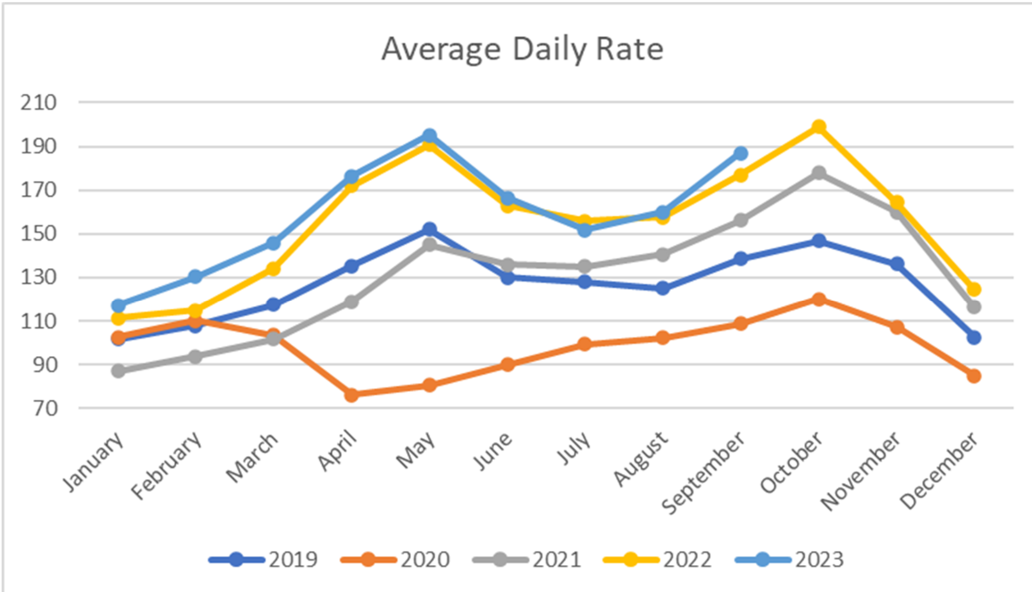
Tourism was a significant contributor to the local economy in 2023. The most recently published economic impact numbers for Tourism are from 2022. Albemarle County saw $511.4 million in visitor spending, a 21.3% increase over 2021. Tourism-supported jobs in the area totaled nearly 6,700 while local tourism-related taxes were $24.4 million in Albemarle County.

You'll see from the chart below that Albemarle County area hotel occupancy rates are still slightly below typical levels for the region and even below 2022 in some months. A contributing factor for these lower occupancy rates is a lack of workforce. While substantial pay and benefit increases have lifted hospitality and tourism industry jobs because of COVID, hotels, restaurants, and other related businesses are continuing to experience significant difficulty in finding employees.

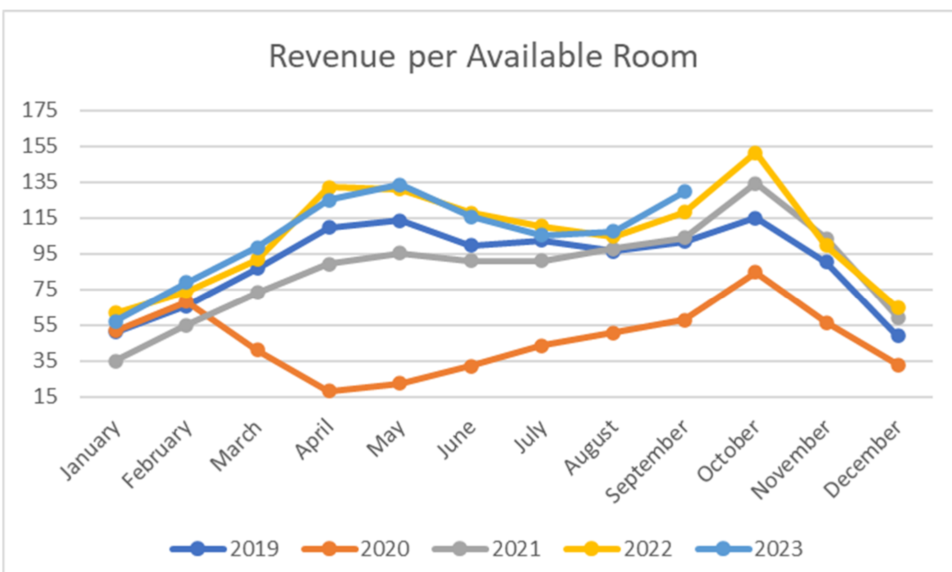


On the other side, hotel rates continue to be at all-time high levels. These rates reflect an increase in demand for our area and a limited supply of rooms. They also reflect higher salaries for the workforce and an increased cost for goods and services.

THE REPORTING ENTITY AND ITS SERVICE: (CONTINUED)
Travel and Tourism (Continued)



Revenue per available room (RevPAR) continues to run at all-time high levels as well. However, without an increased hospitality industry workforce and easing room rates, these revenues may be short-term.



The Charlottesville Albemarle Convention and Visitors Bureau (CACVB) is the County's dedicated destination marketing and management organization, which has continuously promoted the County (along with Charlottesville City) as a desirable place to visit. The mission of the CACVB is to drive overnight stays and additional spending in hotels, restaurants, wineries, shops, and more, thereby generating additional transient occupancy, sales, and food and beverage tax revenue paid by visitors rather than residents.

THE REPORTING ENTITY AND ITS SERVICE: (CONTINUED)
Travel and Tourism (Continued)

The CACVB promotes the diversity of visitor experiences in Albemarle County. Albemarle boasts historic resources of national significance, including world-renowned historic sites like Thomas Jefferson's Monticello, James Monroe's Highland, and the University of Virginia. Four sites are registered as National Historic Landmarks, and Monticello and the University of Virginia's "Academical Village" are on the UNESCO World Heritage list.

Albemarle County's natural landscape abounds in opportunities for hiking, paddling, bicycling, horseback riding or sipping wine at vineyards with a view. With more than 40 wineries along the Monticello Wine Trail, distilleries and breweries, and a reputation as a "foodie" destination, a visitor can return often and still enjoy new experiences. The Monticello American Viticultural Area has been recognized as the Wine Region of the Year in Wine Enthusiast's 2023 Wine Star Awards. Other area attractions include Skyline Drive, Blue Ridge Parkway, and Shenandoah National Park, all located in the western part of the County, for which Albemarle County and Charlottesville are the natural gateway for exploration.

The County is serviced by the Charlottesville-Albemarle Airport (CHO), a non-hub, commercial service airport offering daily non-stop flights to and from Charlotte, Chicago, New York/LaGuardia, Washington/Dulles, and Atlanta. CHO includes a 60,000 sq. ft. terminal facility with amenities including on-site rental cars, ground transportation, and food service. General aviation facilities include an executive terminal.

ECONOMIC CONDITION AND OUTLOOK

Albemarle County's rich historical heritage and targeted actions by Albemarle County to help existing businesses grow play a part in the area's economic growth. Its location, rural character, urban conveniences, strong educational system, and superior quality of life combine to make Albemarle an attractive, vital community. The predominant economic sectors, by number of jobs, are government, healthcare and social assistance, retail trade, accommodation and food services, and professional, scientific, and technical services. The largest employers are the University of Virginia, County of Albemarle, Sentara Healthcare, U.S. Department of Defense, and Crutchfield Corporation. Noteworthy, there are more than 75 small life sciences companies in the region that employ over 2,400 workers helping diversify the economy.

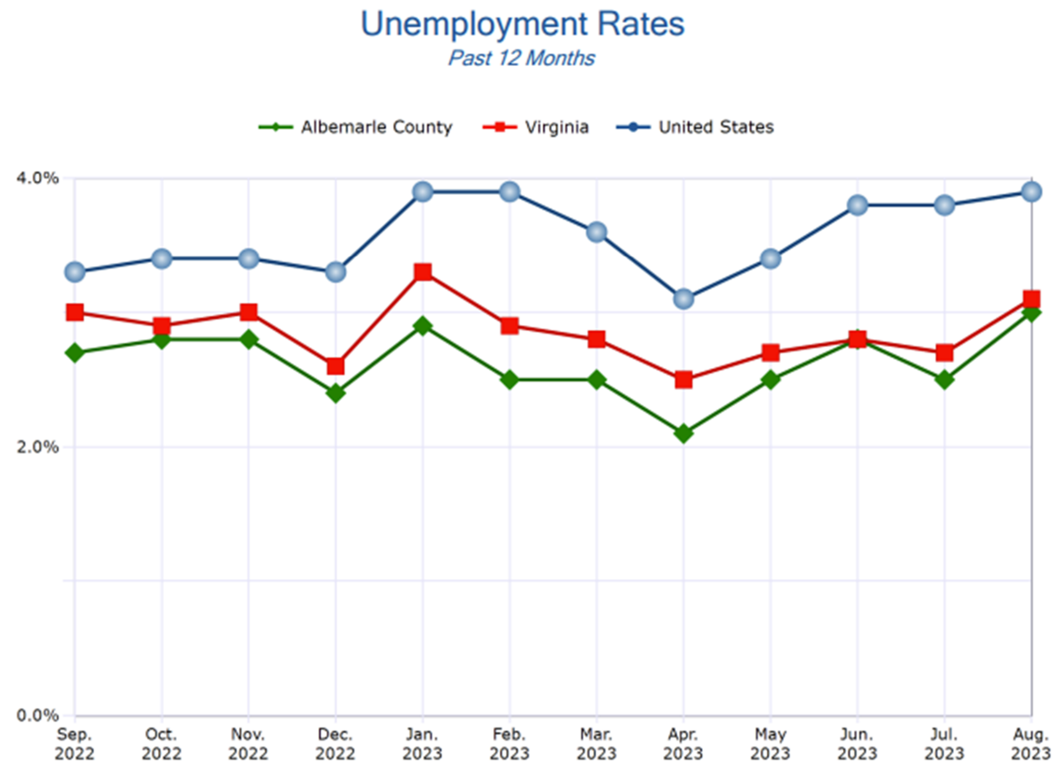
Additionally, workers are commuting from several surrounding counties to work alongside Albemarle County residents as depicted in this chart. (U.S. Census Bureau OnTheMap Application)

Top 10 Places Workers are Commuting From

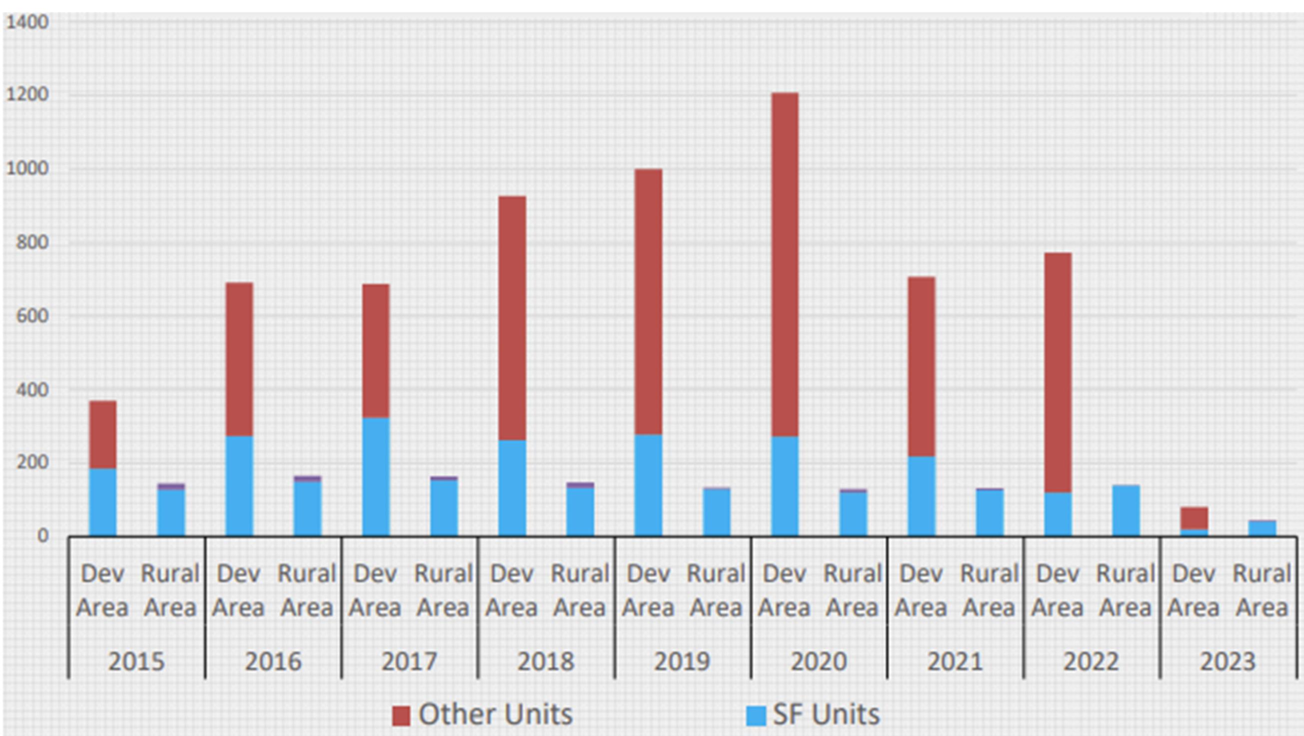
Area	Workers
Charlottesville city, VA	5,966
Fluvanna County, VA	3,185
Greene County, VA	2,412
Louisa County, VA	1,567
Augusta County, VA	1,401
Nelson County, VA	1,195
Fairfax County, VA	979
Orange County, VA	908
Waynesboro city, VA	905
Buckingham County, VA	729

Despite growing economic uncertainty and rising inflation, unemployment remains low. According to the Virginia Employment Commission, as of August 2023, the unemployment rate for Albemarle County was 3.0 percent. The County's unemployment rate fluctuated throughout FY23. Even with the fluctuation, the County continues to have one of the lower unemployment rates in Virginia and was ranked in the top quartile of the lowest unemployment rates in the Commonwealth. For August 2023, Virginia's overall unemployment rate was 3.1 percent, while the national unemployment rate was 3.9 percent.

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

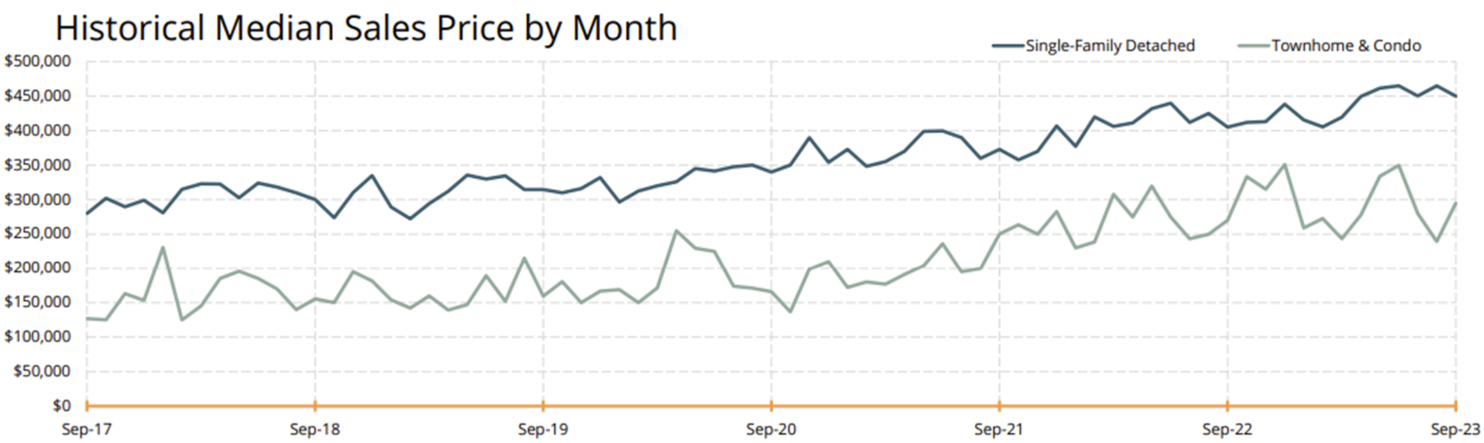


As of June 2023, building permits were issued for 123 dwelling units. Furthermore, there were no permits issued for the conversion of an apartment to a condominium ("SF" in the chart below indicates Single Family).



ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

As of September 2023, the median sales price of a single-family detached home in the Albemarle County, Charlottesville Metropolitan Statistical Area was $449,950. This was an increase of 9.7 percent from a year ago and a gain of approximately $39,950. Overall, Albemarle County saw 30 fewer sales than last year, which represents a 22.7 percent decline. Total inventory in Albemarle County dropped by 5.4 percent from 315 homes to 298 homes.



Source: Virginia REALTORS®, data accessed October 15, 2023

FINANCIAL POLICIES

The County's Financial Management Policies provide a solid framework from which sound financial decisions can be made for the long-term betterment and stability of the County. The County has a long-standing history of adherence to its fiscal policies, which effectively insulate the County from fiscal crises and enhances the County's credit worthiness. The County has achieved the highest credit and bond rating possible from Moody's, S&P, and Fitch credit rating agencies: Aaa/AAA/AAA, respectively. Albemarle is one of the smallest jurisdictions in the United States to achieve triple-AAA ratings; our excellent credit rating benefits our citizens because highly rated jurisdictions enjoy the most competitive interest rates on long-term borrowing, thus saving interest costs.

The local government annually conducts long-range financial planning that informs its Capital Improvement Plan and provides the Board of Supervisors with reasonable longer-term financial projections and outlook. The information provides the Board with sufficient data and information to provide staff with direction for fulfilling the Board's long-range goals and priorities. Long-range financial planning is based on the best information available at the time and sets direction that will influence budget decisions in the years to come. The County also adheres to the operating budget policies consistent with guidelines established by the Government Finance Officers Association. The County approves an annual capital budget in consideration of associated operating impacts and accordance with the Capital Improvement Program.

FINANCIAL POLICIES (CONTINUED)

The management of Albemarle County is responsible for establishing and maintaining internal controls. Estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. Internal controls are designed to provide reasonable, but not absolute, assurance that (1) County assets are safeguarded against unauthorized use or disposition and, (2) financial transactions are conducted properly and in accordance with County policy.

Budgetary controls are established to ensure compliance with the annual appropriation ordinance adopted by the Board of Supervisors. General, School, Debt Service, and School Self-Sustaining Funds are included in this ordinance. Separate appropriations, approved by the Board of Supervisors, are adopted for Education and General Government Capital Improvement Programs. For local government, budgetary controls are appropriated and maintained at the department level.

MAJOR INITIATIVES

Current Initiatives

The County's Fiscal Year 2024-2028 Strategic Plan focuses on the following priority areas.

- Safety & Well-being
- Resilient, Equitable, & Engaged Community
- Infrastructure & Placemaking
- Quality of Life
- Education & Learning
- Workforce & Customer Service

The foundation of the County's strategic plan is "quality government operations." The County understands that its ability to advance the plan's priorities includes investing in the organization's well-being, which includes investments in business processes, financial management, workforce stabilization, Human Resources Department redesign, and modernization of the County's core enterprise systems.

Current Initiatives highlights:

Parks and Infrastructure

- *Biscuit Run Park:* Biscuit Run Park is a nearly 1,200-acre property located in Albemarle County. The Commonwealth of Virginia acquired the property in 2009 and announced a partnership with Albemarle County to open Biscuit Run Park to the public. The park partnership is the first of its kind in Albemarle's development area and will provide high-quality recreational opportunities for Albemarle County and the surrounding communities. A minimum of 80 percent of the park will remain forested, all sensitive natural heritage resources will be protected, and management concerns like invasive species will be addressed. The Capital Improvement Plan provides funds to support Phases 1a and 1b of the Biscuit Run master plan. Elements of these phases include: a park entrance with an asphalt access road; parking spaces; a vault toilet; design and construction of a parks maintenance facility; multi-use trail system expansion including new trail boardwalk and footbridges; and connector greenway trail enabling bike and pedestrian connections with destinations beyond the park itself. The construction of the various elements will be phased over the 5-year plan.

Current Initiatives (Continued)

- *Transportation Leveraging Program:* This program provides flexible and consistent funding to support high-priority transportation projects and initiatives in the County. These are typically high-cost projects requiring significant financial commitment to develop and implement. These projects are listed and prioritized in the County's Transportation Priority List, which is updated and approved every other year by the Board of Supervisors.
- *Expansion and Upgrades to the General District Court and the Circuit Court*: In 2018, Albemarle County and the City of Charlottesville began work to redevelop the Levy Opera House and site located at 350 Park Street. In the first phase of this work, a 3-story building will be constructed and connected to the Opera House. This building will accommodate court sets for the City and County's General District Courts. A portion of the Levy Opera House will also be renovated during this phase to accommodate the County Commonwealth Attorney's office; approximately 58,850 square feet will be included in this phase of construction and renovation. The second phase of work will include the renovation of and small addition to the Circuit Court at the current historic courthouse. This renovation and construction will encompass approximately 32,034 square feet. The renovations will be designed to function for a 21st-century judicial system with modern design features that will enhance security while maintaining accessibility for our community.
- *Southern Albemarle Convenience Center*: In FY 23, the County developed the Convenience Center to include easy drop-off for some recyclables, bag or receptacle contained trash. The Convenience Center is staffed for residents who bring their own bagged trash and recyclables. The Convenience centered opened in FY 24.

<u>Economic Development</u>

- *Public-Private Partnerships (P3s):* This program will seek site control of strategic properties, a critical component of negotiating public-private partnerships. Site control can be obtained through extended due diligence periods, lease to purchase, land options (an exclusive right to purchase land at a specific price in the future) or through the outright purchase of land. As a strategy for economic and community development, local governments acquire, develop, and convey real estate property as part of a Public-Private Partnership. Achieving site control through traditional acquisition, extended due diligence periods, or other site control options ameliorate the risk that key parcels (or buildings) remain vacant or minimally developed, resulting in missed economic development opportunities. County site control, in combination with a development agreement, can result in a built environment that includes preferred public elements.

<u>Albemarle County Public Schools Projects</u>

- *Crozet Elementary Addition and Improvements:* Crozet Elementary School is currently over capacity and additional students are anticipated. This project includes an estimated 28,000 square foot addition to the building, as well as making improvements to the existing building and site. The additions will include 16 classrooms, 3 smaller resource classrooms, 2 offices, a faculty workroom, and various support spaces. Improvements to the existing building will include improvements to existing classrooms, improvements to the kitchen, stage and cafeteria, and improvements to existing administration, support spaces, and restrooms. Site improvements will include outdoor learning areas, new and expanded bus drop-off, additional parking, additional playground equipment, and the replacement of a paved play area.

Current Initiatives (Continued)

- *Mountain View Elementary Expansion and Site Improvements*: This project will expand and provide site improvements to support the current student population at Mountain View Elementary. The project expands the cafeteria and adds six classrooms, resource, and auxiliary rooms for a total addition of approximately 15,865 square feet. Site improvements include additional parking, enhancing outdoor learning spaces and playgrounds, and the removal of the mobile units.

- *High School Capacity and Improvements – Center II*: This project represents a 61,500 square foot facility with a 400 student per day capacity that is a resource for the entire Division. It is strategically geographically located to provide access to interdisciplinary, project-based, specialized programming. It will also serve as an interface between the school, community and professional organizations that provide out-of-building authentic learning experiences such as internships, and other work and community-based opportunities. Transportation to High School Center 2 is provided by the Division from all three feeder patterns to ensure equity of opportunity to every student. It is a facility that is an extension of the modernization projects at each base high school in that it will house a variety of learning spaces and technical resources.

Future Initiatives

Updating the Comprehensive Plan

The County is updating its Comprehensive Plan, which is a guiding document for growth, development, and investment in the county. The Plan has recommendations for how and where the county should grow, supporting local businesses and industry, protecting, and enhancing natural resources, providing transportation options for walking, biking, taking transit, and driving, and allowing and encouraging a variety of housing types. The Comprehensive Plan is used to guide decisions on public infrastructure and funding, plans and programs, and review of some development applications.

- *Northern Albemarle Convenience Center*: The Capital Improvements Plan includes the development of a Northern Albemarle County Solid Waste Convenience Center, which would be comparable to the previously mentioned Southern Albemarle Convenience Center.

School Capacity Projects included in the Capital Improvements Plan:

  - *Elementary School #1*: This project is to construct a new 500-student elementary school. The school would be located on a site in the Southern Feeder Pattern, as recommended in the Mountain View Facilities Master Plan Study. It is assumed that the site will have water and sewer available at the property line. The project shall incorporate LEED design principles, strategies and elements. The assumed building size is 72,500 square feet (500 students at 145 square feet per student).

  - *Elementary School #2*: This project is to construct a second new 500-student elementary school. The school would be located on a proffered site in the Northern Feeder Pattern. It is assumed that the site will have water and sewer available at the property line. The project shall incorporate LEED design principles, strategies and elements. The assumed building size is 72,500 square feet (500 students at 145 square feet per student).

- *School Renovations*: The Capital Improvements Plan includes substantive investments in school buildings at all levels, including the implementation of recommendations of the high school master plan study. A phased, multi-year approach will bring the Public Schools' aging schools to modern standards to include improvements such as electrical infrastructure updates to accommodate technology, ensuring classrooms have natural light, improvements to adhere to the Americans with Disabilities Act (ADA), outdoor learning space updates, and reconfiguration of spaces to improve function or efficiency.

AUDIT INFORMATION

Independent Audit

The Commonwealth of Virginia requires that the financial statements of the County be audited by an independent certified public accountant. The accounting firm of Brown, Edwards and Company LLP has performed an audit for the County for the fiscal year ended June 30, 2023. The auditors' opinion is included in this report.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

Due to departmental turnover, an application was not filed with the Government Finance Officers Association of the United States and Canada (GFOA) for a Certificate of Achievement for Excellence in Financial Reporting for the annual comprehensive financial report for the fiscal year ended June 30, 2022.

We believe that our current annual comprehensive financial report continues to meet the GFOA's Certificate of Achievement Program requirements, and we will submit it to the GFOA to determine its eligibility for an award.

Acknowledgements

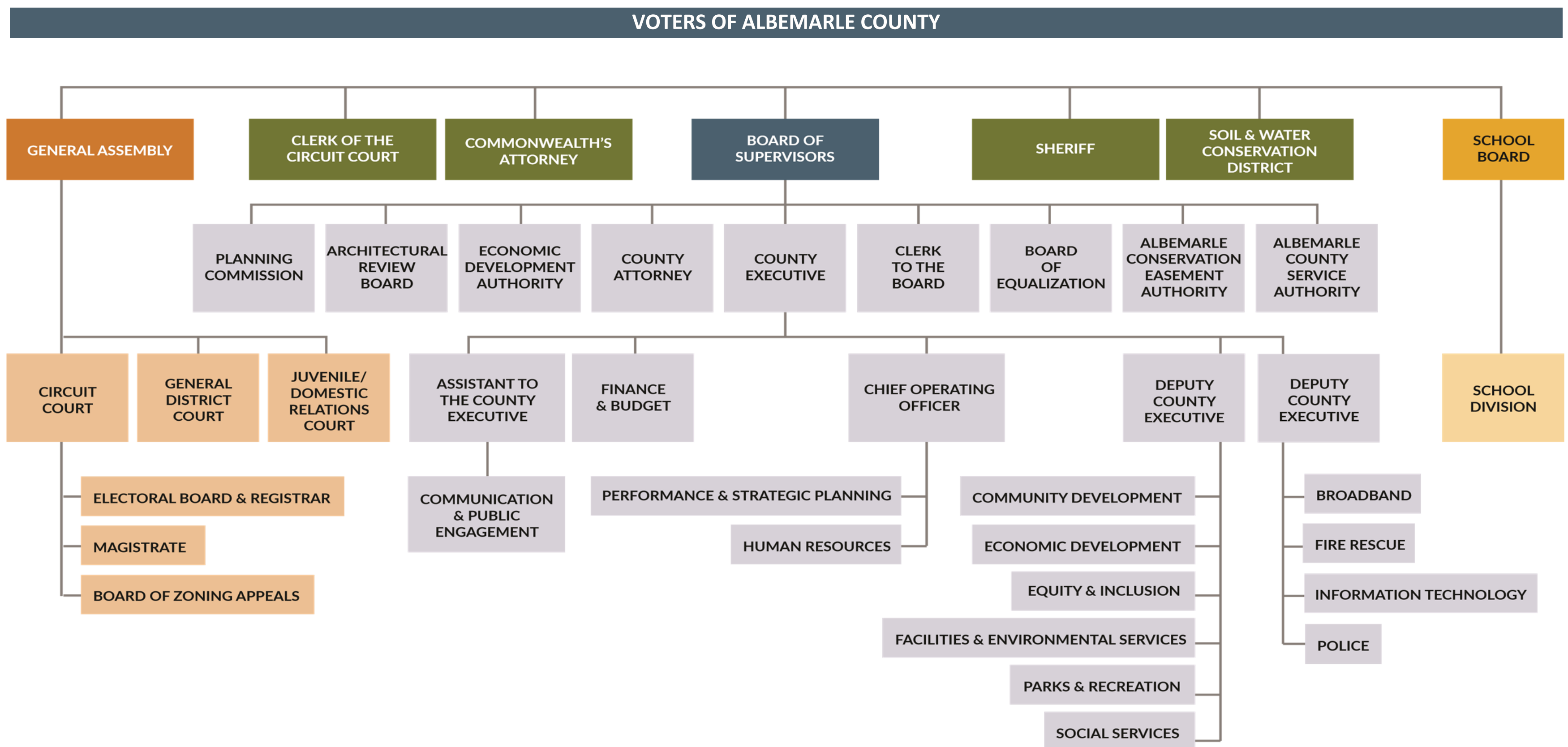
This Annual Comprehensive Financial Report is the result of work performed by a competent and dedicated Finance and Budget Department, to whom I am grateful for their commitment to excellence. I also thank the elected Board members of Albemarle County, as well as the County Executive's Office and School Superintendent's Office for their ongoing support of our professional and progressive financial operations.

Respectfully,

Jacob Sumner
Chief Financial Officer

County of Albemarle

ORGANIZATIONAL CHART



COUNTY OF ALBEMARLE, VIRGINIA

BOARD OF SUPERVISORS

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Jim Andrews, Vice Chair

Ned Gallaway	Ann Mallek
Bea LaPisto-Kirtley	Diantha McKeel

Claudette K. Borgersen, Clerk

SCHOOL BOARD

Judy Le, Chair
Katrina Callsen, Vice-Chair

Kate Acuff	Rebecca Berlin
Graham Paige	Jonno Alcaro
Ellen Osborne	

Christine Thompson, Clerk

COUNTY OF ALBEMARLE, VIRGINIA

OTHER OFFICIALS

County Executive	Jeffrey B. Richardson
Deputy County Executive	Ann Wall
Deputy County Executive	Trevor Henry
School Superintendent	Dr. Matthew S. Haas
Clerk of the Circuit Court	Jon Zug
Judge of the Circuit Court	Cheryl V. Higgins
Commonwealth Attorney	James M. Hingeley
County Attorney	Steven Rosenberg
Assistant to the County Executive	Emily Kilroy
Director of Information Technology	Roderick Burton
Director of Community Development	Jodie Filardo
Extension Agent	Carrie Swanson
Chief Financial Officer	Jacob Sumner
Clerk of the General District Court	Leola Morse
Judge of the General District Court	Matthew J. Quatrara
Zoning Administrator	Bart Svoboda
Director of Emergency Communications Center	Sonny Saxton
Director of Parks and Recreation	Robert P. Crickenberger
Director of Human Resources	Jessica Rice
Chief of Police	Sean Reeves
Registrar	Lauren Eddy
Sheriff	Chan Bryant
Chief Human Services Officer	Kaki Dimock
Director of Facilities & Environmental Services	Lance Stewart
Building Official	Michael Dellinger
Chief of Fire Rescue	Dan Eggleston
Manager, Communications & Public Engagement	Abbey Stumpf
Interim Director of Economic Development	Jonathan Newberry
Director, Office of Equity and Inclusion	Jesse Brookins
Chief Operating Officer	Kristy Shifflett

BROWNEDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors
County of Albemarle, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Albemarle, Virginia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Albemarle, Virginia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Report on the Audit of the Financial Statements (Continued)

***Responsibilities of Management for the Financial Statements* (Continued)**

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on the Audit of the Financial Statements (Continued)

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Albemarle's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Report on the Audit of the Financial Statements (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 14, 2023

The County of Albemarle presents the following discussion and analysis as an overview of the financial activities of the County for the fiscal year ending June 30, 2023. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements that follow this section.

FINANCIAL HIGHLIGHTS FOR THE YEAR

Government-wide Statements (Full Accrual Accounting)

- The County's total assets and deferred outflows of resources, excluding its component units, totaled \$405,342,514. Liabilities and deferred inflows of resources totaled \$272,727,165. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$132,570,349, of which \$107,651,529 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

- The County's total net position increased \$26,832,503 from the prior year, which primarily resulted from an increase of \$35,081,260 from General Property Taxes, Real & Personal and Other taxes compared to 2022. Operating Grants and Contributions increased by \$16,485,072 from 2022. These increases were mostly offset by an increase of \$35,018,065 for the Education program expenses compared to 2022.

Fund Financial Statements (Modified Accrual Accounting)

- As of June 30, 2023, the County's governmental funds reported combined fund balances of \$150,569,647 an increase of \$25,409,190 compared to the prior year. Approximately 52% of the combined fund balances, \$77,605,070 is unassigned and available to meet the County's current and future needs.

- The General Fund reported a fund balance of \$91,326,581, an increase of \$17,087,153 from June 30, 2022. Federal/State Grant Funds reported a fund balance of \$10,786,713; the General Capital Improvements Fund reported a fund balance of \$36,477,240; Other Governmental Funds reported \$11,971,200 in total fund balance; and the ARPA Fund reported \$7,913.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical, and compliance.

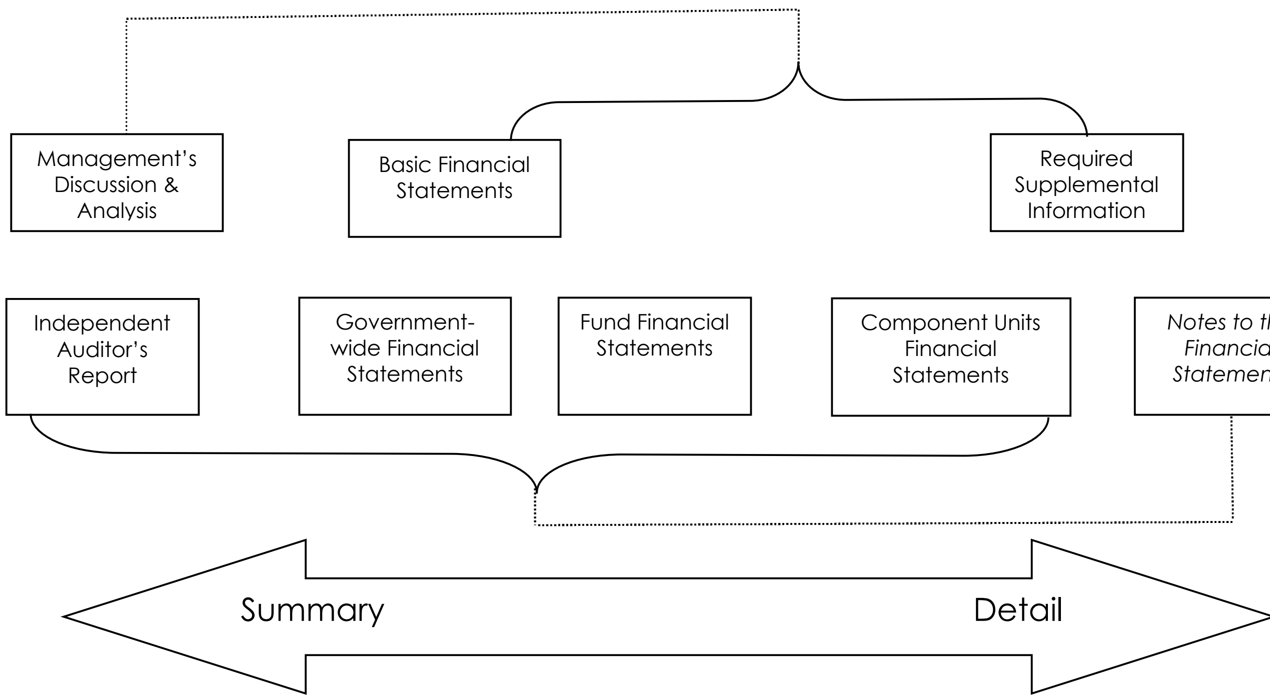
- The *introductory section* includes the transmittal letter, the County's organizational chart and a list of principal officers.

- The *financial section* has five component parts – the independent auditor's report, management's discussion and analysis (this section), the basic financial statements (which include government-wide financial statements and fund financial statements), required supplementary information, and other supplementary information.

- The *statistical section* includes selected financial and demographic data related to the County, generally presented on a multi-year basis.

- The *compliance section* is required under the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget guidance in Title 2 of the Code of Federal Regulations, Part 200 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and includes the auditors' reports on compliance and internal controls.

Components of the Financial Section



Local government financial reports consist of two kinds of statements, each with a different view of the County's finances. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. The basic financial statements also contain notes to explain, in greater detail, the information found in the financial statements.

Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net position and how they have changed during the fiscal year.

The first government-wide statement – the Statement of Net Position – presents information on all of the County's assets and liabilities. The difference between assets and liabilities, net position, can be used as one way to measure the County's financial condition. Over time, increases or decreases in the net position can be one indicator of whether the County's financial condition is improving or deteriorating. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of County facilities.

The second statement – the Statement of Activities – also uses the accrual basis accounting method and shows how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in the Statement of Activities, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)

Government-wide Financial Statements: (Continued)

The government-wide statements are divided into the following three categories:

Governmental Activities: Most of the County's basic services are reported here, including general administration, judicial administration, public safety, public works, health and welfare, education, parks and recreation, and community development. These activities are financed primarily by property taxes, other local taxes, and federal and state grants. Governmental funds and internal service funds are included in the governmental activities.

Business-type Activities: Albemarle County does not have any business-type activities.

Discretely Presented Component Units: The County includes the Albemarle County Public Schools and Economic Development Authority in its annual financial report, because the School System and Economic Development Authority are fiscally dependent on the County, and the County can exert influence over their budgetary activities.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statements more familiar. These statements provide more detailed information about the County's most significant funds. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenues and expenses for particular purposes. The County has three kinds of funds:

Governmental Funds – Most of the County's basic services are included in governmental funds. Governmental funds utilize the modified accrual basis of accounting, which focuses on (1) how cash and other financial assets that can readily be converted to cash and (2) the balances remaining at year-end that are available to meet current financial needs. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are financial resources that can be spent in the near future to finance the County's programs. Additional exhibits provide a reconciliation of the fund financial statements to the government-wide statements because they do not include information on long-term assets and liabilities. The General Fund is the main operating account of the County and therefore, the largest of the governmental funds. All other governmental funds, which include special revenue funds, capital project funds and debt service funds, are collectively referred to as non-major governmental funds. The Federal and State Grants Fund, the ARPA Fund and General Capital Improvements Fund (capital projects) are considered to be major funds.

Proprietary Funds – Proprietary funds, which consist of enterprise funds and internal service funds, operate in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements provide both long and short-term financial information. The County does not have an enterprise fund but does have eight internal service funds: Health Insurance Fund, Dental Plan Pool Fund, Duplicating Fund, Facilities Development Fund, Payroll Suspense Fund, CATEC Fund, Computer Replacement Fund and Vehicle Replacement Fund. These funds are funded by charging County departments and the School Board on a cost reimbursement basis.

Fiduciary Funds – Fiduciary funds are used to account for resources held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the funds are not available to support the County's programs. The County's fiduciary funds consist of private purpose trust funds and custodial funds. The funds are used to account for monies received, held, and disbursed on behalf of certain developers, housing programs, recipients of scholarship funds, the Commonwealth of Virginia, and certain other agencies and governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary of Net Position
As of June 30, 2023 and 2022
($ in thousands)

	Governmental Activities		Component Units		Total Reporting Entity	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	$ 195,752	$ 186,794	$ 53,319	$ 78,371	$ 249,071	$ 265,165
Capital assets (net)	193,861	207,009	76,395	68,010	270,256	275,019
Total assets	$ 389,613	$ 393,803	$ 129,714	$ 146,381	$ 519,327	$ 540,184
Deferred outflows of resources	$ 15,730	$ 19,904	$ 48,251	$ 43,346	$ 63,981	$ 63,250
Total assets and deferred outflows of resources	$ 405,343	$ 413,707	$ 177,965	$ 189,727	$ 583,308	$ 603,434
Liabilities:						
Other liabilities	$ 21,514	$ 30,499	$ 24,786	$ 26,851	$ 46,300	$ 57,350
Long-term Liabilities	231,365	244,231	174,943	149,272	406,308	393,503
Total liabilities	$ 252,879	$ 274,730	$ 199,729	$ 176,123	$ 452,608	$ 450,853
Deferred inflows of resources	$ 19,894	$ 33,238	$ 36,883	$ 78,477	$ 56,777	$ 111,715
Net Position:						
Net investment in capital assets	$ 14,434	$ 11,081	$ 70,008	$ 68,010	$ 84,442	$ 79,091
Restricted	10,484	8,171	2,649	-	13,133	8,171
Unrestricted	107,652	86,487	(131,304)	(132,883)	(23,652)	(46,396)
Total net position	$ 132,570	$ 105,739	$ (58,647)	$ (64,873)	$ 73,923	$ 40,866
Total liabilities, deferred inflows of resources and net position	$ 405,343	$ 413,707	$ 177,965	$ 189,727	$ 583,308	$ 603,434

The Commonwealth of Virginia requires that counties, as well as their fiscally dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public school facilities, for their component units. For the purpose of this financial statement, the debt and correlating asset (or portion therefore) is recorded as an asset and long-term liability of the primary government. GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE: (CONTINUED)

Statement of Activities:

The following table presents revenues and expenses of governmental activities:

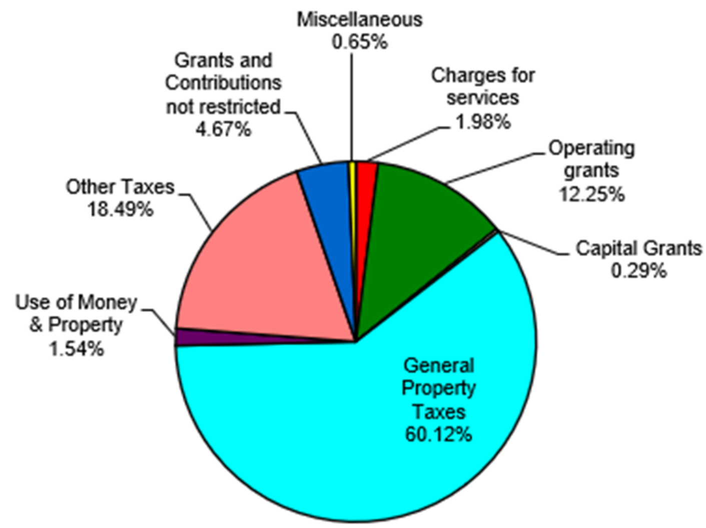
Changes in Net Position
For the Fiscal Year Ended June 30, 2023 and 2022
($ in thousands)

	Governmental Activities		Total % Change
	2023	2022	2023-2022
Revenues:			
Program Revenues:			
Charges for services	$ 8,455	$ 8,169	3.50%
Operating grants and contributions	52,187	35,701	46.18%
Capital grants and contributions	1,256	1,625	-22.71%
General Revenues:			
General property taxes, real and personal	256,096	233,882	9.50%
Other taxes	78,774	65,908	19.52%
Grants and contributions not restricted	19,912	19,456	2.34%
Use of money and property	6,548	1,661	294.22%
Miscellaneous revenue	2,754	4,808	-42.72%
Total Revenues	$ 425,982	$ 371,210	14.75%
Expenses:			
General government	$ 26,038	$ 20,656	26.06%
Judicial administration	5,700	5,048	12.92%
Public safety	64,272	57,490	11.80%
Public works	16,159	13,797	17.12%
Health and welfare	43,468	35,224	23.40%
Education	182,615	147,596	23.73%
Parks, recreation, and cultural	12,668	9,775	29.60%
Community Development	43,385	34,627	25.29%
Interest on long-term debt	4,845	5,111	-5.20%
Total Expenses	$ 399,150	$ 329,324	21.20%
Increase (decrease) in net position	$ 26,832	$ 41,886	-35.94%
Beginning net position	105,738	63,852	65.60%
Ending net position	$ 132,570	$ 105,738	25.38%

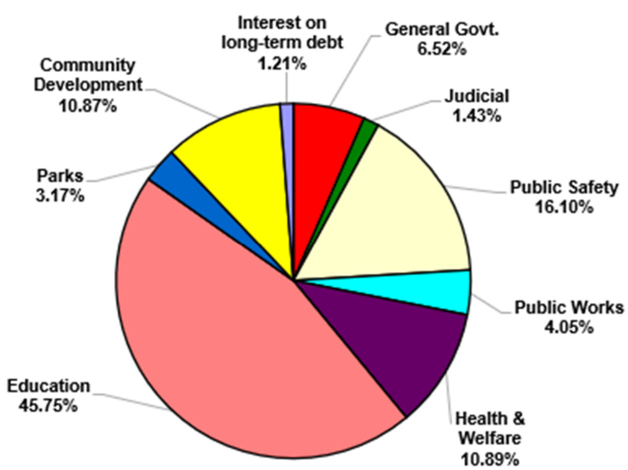
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE: (CONTINUED)

Governmental Activities – Revenues by Source
For the Fiscal Year Ended June 30, 2023

Total net position for Governmental activities increased $26,832,503 with an ending net position of $132,570,349. Revenues from governmental activities totaled $425,981,750 for FY 2023 compared to FY 2022 revenues from governmental activities of $371,210,184. Taxes comprise the largest source of these revenues, totaling $334,870,332 or 79%. Of this amount, general property taxes comprise 76% of the taxes collected, totaling $256,094,410.



Governmental Activities – Expenses by Function
For the Fiscal Year Ended June 30, 2023



The total cost of all governmental activities for this fiscal year was $399,149,247. As the chart to the left illustrates, Education continues to be the County's largest program with expenses totaling $182,614,469. Public Safety expenses, which total $62,195,845, represents the second largest expense, followed by Community Development at $42,218,440, Health and Welfare at $42,039,582, and General Government Administration at $31,583,733.

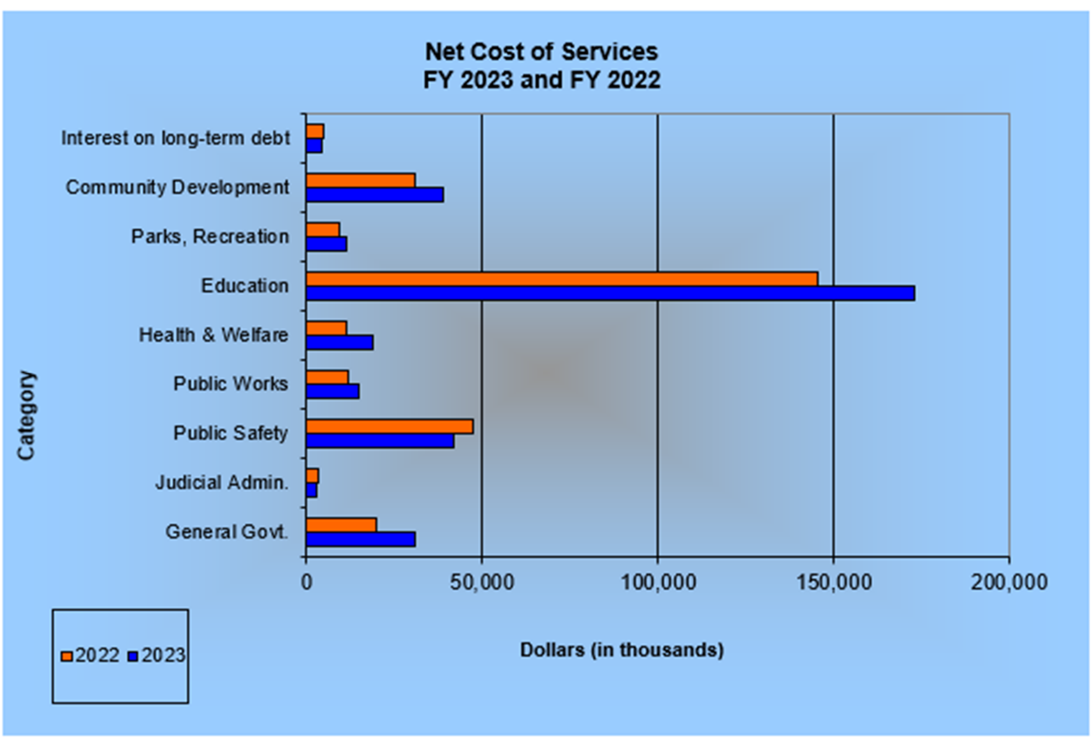
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE: (CONTINUED)

For the County's governmental activities, the net expense (total cost less associated fees and program-specific governmental aid) is illustrated in the following table.

Total Cost and Net Cost of Governmental Activities
For the Fiscal Year Ended June 30, 2023 and 2022

	Total Cost of Services			Net Cost of Services		
	2023	2022	Percentage Change	2023	2022	Percentage Change
General government	$ 26,038,310	$ 20,655,655	26.06%	$ 30,837,811	$ 19,819,128	55.60%
Judicial administration	5,698,775	5,048,125	12.89%	2,783,027	3,103,584	-10.33%
Public safety	64,272,057	57,489,744	11.80%	41,957,095	47,451,804	-11.58%
Public works	16,159,367	13,797,269	17.12%	14,615,184	11,981,360	21.98%
Health & welfare	43,468,438	35,223,630	23.41%	19,053,970	11,229,653	69.68%
Education	182,614,469	147,596,404	23.73%	173,152,887	145,455,221	19.04%
Parks, recreation & cultural	12,667,681	9,775,450	29.59%	11,569,907	9,439,554	22.57%
Community development	43,385,081	34,627,418	25.29%	38,846,911	30,701,031	26.53%
Interest on long-term debt	4,845,069	5,110,508	-5.19%	4,434,806	4,646,795	-4.56%
Total	$ 399,149,247	$ 329,324,203	21.20%	$ 337,251,598	$ 283,828,130	18.82%

For the year ended June 30, 2023, governmental activities generated $8,455,174 in program revenues from users of services provided by the activity, as compared to $8,169,480 for FY 2022. The largest percentage of these charges were generated by Public Safety with 52%, while Community Development generated 38% of charges for services program revenue. Operating grants and contributions revenues increased to $52,186,566 compared to $35,701,494 in FY 2022, with 56% of the increase from Public Safety, or $9,293,215. Capital grants and contributions revenues totaled $1,255,909, which decreased by $369,190 when compared to 2022.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of June 30, 2023, the County's governmental funds reported a combined ending fund balance of $150,569,647, an increase of $25,409,190 in comparison with the prior year. Approximately 52% ($77,605,070) is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is non-spendable ($2,468,190); restricted ($10,598,150); or committed ($59,898,237). For further details on fund balance, please refer to Exhibit 3 located in the Fund Financial statements section.

The General Fund contributed $169.1 million in operating funds to support Schools' operations.

The Federal/State Grants Fund reported a fund balance of $10,786,713 at June 30, 2023, an increase of $2,615,884 from FY 2022. Total revenues of the fund were $18,124,626, and total expenditures of the fund were $21,585,875 for FY2023.

The County's ARPA Fund reported $11,019,326 in revenues and $10,911,413 in expenditures in FY 2023.

In the General Capital Improvement Fund, the County expended $20.6 million in FY 2023.

BUDGETARY HIGHLIGHTS

General Fund

The following table provides a comparison of the original budget, final budget and actual revenues and expenditures in the general fund:

Budgetary Comparison
General Fund
For the Fiscal Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	$ 314,865,308	$ 326,204,955	$ 333,355,331
Other	9,586,691	13,506,002	15,891,822
Intergovernmental	37,114,310	37,608,534	43,385,310
Total	$ 361,566,309	$ 377,319,491	$ 392,632,463
Expenditures:			
Expenditures	348,471,479	349,223,391	324,813,722
Excess (deficit) of revenues over expenditures	$ 13,094,830	$ 28,096,100	$ 67,818,741
Other Financing Sources (Uses):			
Transfers in	$ 26,529,229	$ 37,936,043	$ 3,595,490
Transfers out	(39,624,059)	(66,032,143)	(54,327,078)
Total	$ (13,094,830)	$ (28,096,100)	$ (50,731,588)
Change in Fund Balance	$ -	$ -	$ 17,087,153
Fund balance, beginning of year	-	-	74,239,428
Fund balance, end of year	$ -	$ -	$ 91,326,581

BUDGETARY HIGHLIGHTS: (Continued)

General Fund: (Continued)

Actual revenues were $15,312,972, or 4% more than final budgeted amounts and actual expenditures were $24,409,669, or 7% less than final budgeted amounts. Highlights of the comparison between final budgeted amounts and actual figures for fiscal year ended June 30, 2023, include the following:

- Actual general property tax revenues exceeded budgeted amounts by $7,150,376 due to a better-than-expected real estate market and collection efforts of current and delinquent taxes.

- Actual revenues from the Contribution from School Board were $7,015,796 more than the final budgeted amounts. At the close of each fiscal year before the County's audit is complete, all non-appropriated School Operating Fund's fund balance will be transferred into the General Fund-School Reserve Fund. The Board of Supervisors will maintain in the General Fund-School Reserve Fund an amount not greater than 2% of the current year's Public Schools adopted operating revenues. These funds will be available for Public Schools' purposes subject to appropriation by the Board of Supervisors. The Board of Supervisors will transfer any funds in excess of that 2% to the CIP on an annual basis unless otherwise determined by the Board of Supervisors.

- Actual revenues from the Commonwealth were $940,082 less than the final budgeted. This is primarily due to revenues tied to corresponding actual expenditures in the Department of Social Services and the Clerk of the Circuit Court were not received as the budgeted expenditures and not fully utilized.

- Actual general government administration expenditures were $7,221,883 less than budgeted, County Executive expenditures were $4,546,231 less than budgeted, and Information Technology were $1,724,183 less than budgeted.

- Actual education expenditures were $9,639,269 less than budgeted, primarily due to the Public School's actual use of the budgeted use of fund balance.

Final budgeted revenues were $15,753,182 or 4% more than the original budgeted amounts, and final budgeted expenditures were $751,912, or 0.2%, more than the original budgeted amounts. Highlights of the comparison of the original budget to final budgeted figures for fiscal year ended June 30, 2023, include the following:

- Final budgeted expenditures for General Government Administration increased from the original budget by $3,866,945. $2,578,619 of the increase was for County Executive departmental expenditures, $630,442 was for information technology expenditures, $207,596 was for Finance departmental expenditures, $198,856 was for Voter Registration, $122,801 was for Human Resources departmental expenditures.

- The final budget for Education increased by $1,464,566 over the original budget. This is a projected increase in the School's Fund balance that is budgeted in the General Fund-School Reserve Fund account.

- The final budget for Public Safety decreased by $5,417,772 from the original budget, primarily due to the transferring of $10,000,000 in Public Safety Pay that will be reimbursed as a transfer to the ARPA Reserve.

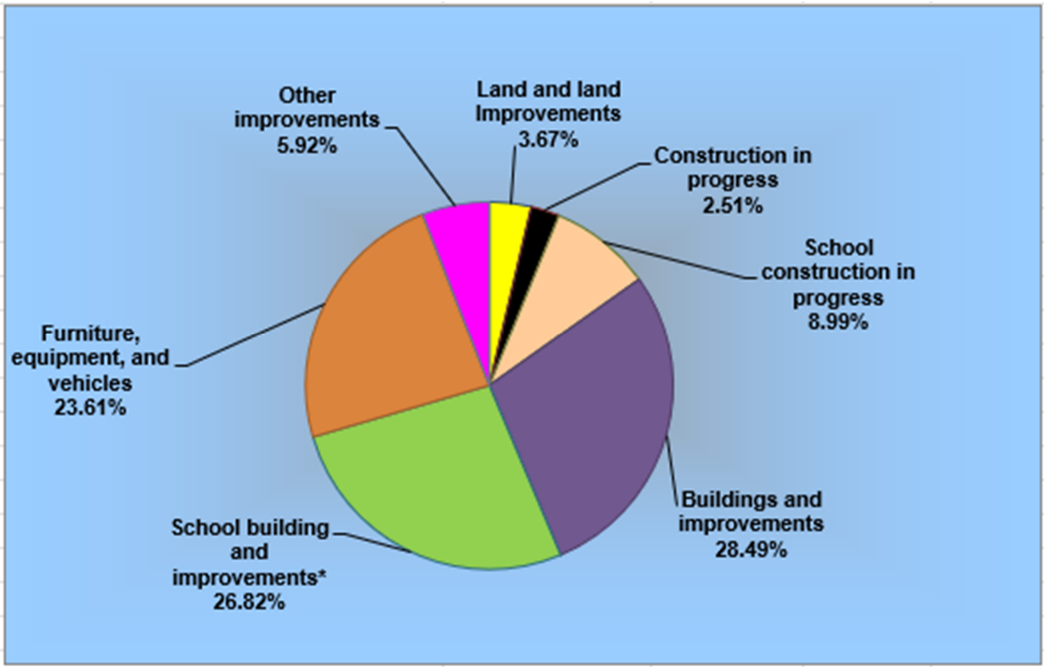
- The final budget for Community Development increased by $978,320 over the original budget, primarily related to the reappropriation of funding from FY 22 to FY 23 for items prioritized by the Board of Supervisors in the CDD's work program that are one-time costs. In FY 23, the Comprehensive Plan update and the Zoning Ordinance Update are two of the types of projects.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

As of June 30, 2023, the County's investment in capital assets totaled $193,860,636, a decrease of $13,148,410 over 2022, and is summarized below:

Capital Assets as of June 30, 2023



During Fiscal Year 2023, the County's net capital assets (including additions, decreases, and depreciation) decreased $13,148,410, as summarized below:

Change in Capital Assets
Governmental Funds

	Balance July 1, 2022	Net Additions and Deletions	Balance June 30, 2023
Land and land Improvements	$ 11,704,520	$ (26,500)	$ 11,678,020
Construction in progress	8,368,217	(400,280)	7,967,937
School land and construction in progress*	40,012,394	(11,432,548)	28,579,846
Buildings and improvements	90,761,118	(193,277)	90,567,841
School building and improvements*	84,810,048	455,694	85,265,742
Furniture, equipment, and vehicles	71,094,822	3,953,206	75,048,028
Other improvements	15,369,519	3,444,728	18,814,247
Total Capital Assets	$ 322,120,638	$ (4,198,977)	$ 317,921,661
Less accumulated depreciation	(115,111,592)	(8,949,433)	(124,061,025)
Total capital assets, net	$ 207,009,046	$ (13,148,410)	$ 193,860,636

CAPITAL ASSETS AND LONG-TERM DEBT: (Continued)

Capital Assets: (Continued)

- School Board capital assets are jointly owned by the County (primary government) and the component unit School Board. The County share of the School Board capital assets is in proportion to the debt owed on such assets by the County. The County reports depreciation on these assets as an element of its share of the costs of the public school system.

This year's major capital asset events included the following:

- Scottsville Community Center
- Biscuit Run Park
- Court facilities addition and renovation
- Sidewalk improvements-Rio Road, Rockfish Gap Tpk & Avon Street
- School building and property improvements

More detailed information regarding capital assets can be found in Note 7 of the Notes to Financial Statements.

Long-term Debt

The change in the County's long-term obligations are summarized in the following chart:

Summary of Long-Term Obligation Changes
For the Fiscal Year Ended June 30, 2023

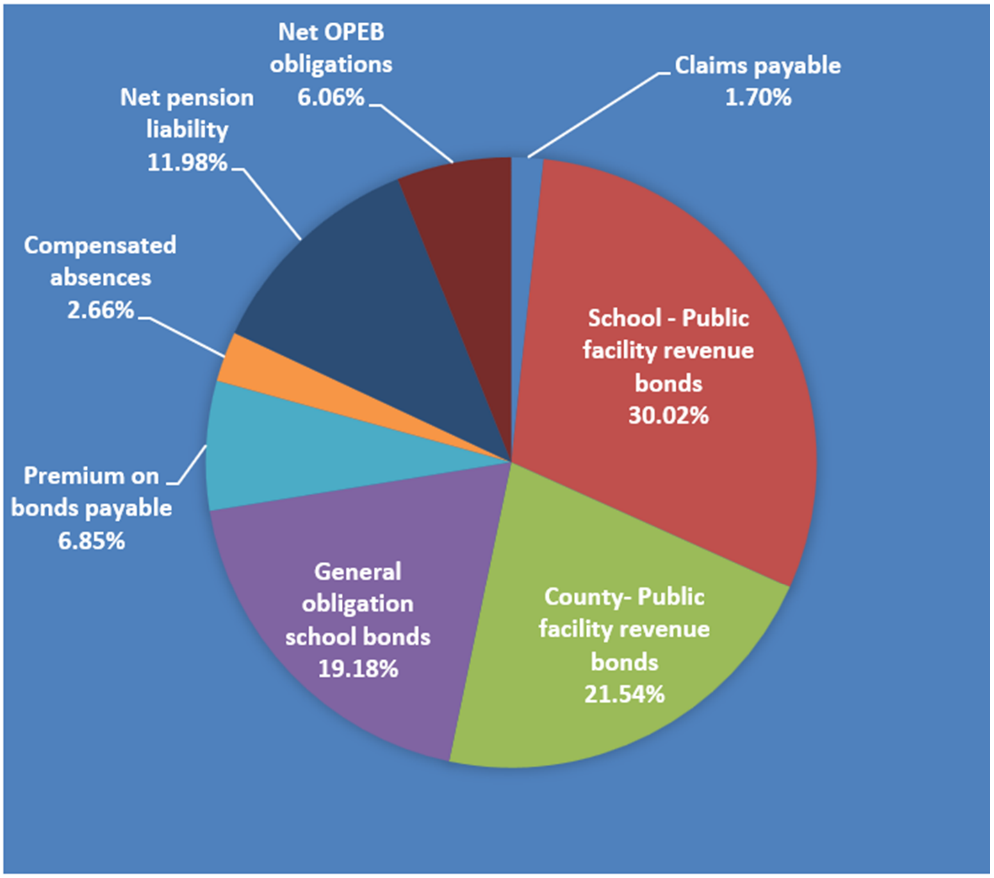
	Amounts Payable July 1, 2022	Net Increase (Decrease)	Amounts Payable June 30, 2023
Primary Government			
General obligation school bonds	$ 50,430,000	$ (6,045,000)	$ 44,385,000
School - Public facility revenue bonds	74,666,768	(5,206,180)	69,460,588
County - Public facility revenue bonds	54,588,233	(4,743,820)	49,844,413
Premium on bonds payable	18,430,616	(2,580,651)	15,849,965
Claims payable	3,440,922	482,664	3,923,586
Compensated absences	5,497,181	657,463	6,154,644
Net pension liability	21,958,110	5,760,614	27,718,724
Net OPEB obligations	15,218,940	(1,191,205)	14,027,735
Total	$ 244,230,770	$ (12,866,115)	$ 231,364,655

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt: (Continued)

As of June 30, 2023, the County's long-term obligations total $231,364,655 and can be summarized as follows:

Long-Term Obligations
Primary Government as of June 30, 2023



The County has maintained a AAA credit and bond rating, the highest rating possible, from Moody's, S&P, and Fitch credit rating agencies. Albemarle is one of the smallest jurisdictions in the United States to achieve AAA ratings. Highly rated jurisdictions enjoy the most competitive interest rates on long-term borrowing, thus saving interest costs and benefiting the citizens of the County of Albemarle

General obligation indebtedness must be approved by voter referendum prior to issuance except for debt incurred from the State Literary Fund or the Virginia Public School Authority.

The Board of Supervisors has established the following policies relating to debt:

- The County will not fund current operations from the proceeds of borrowed funds.
- To the extent feasible, any year that the debt service payment falls below its current level, those savings may be used to fund one-time capital needs.
- The County's debt offering documents will provide full and complete public disclosure of financial condition and operating results and other pertinent credit information in compliance with municipal finance industry standards for similar issues.

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt (Continued)

- Recognizing the importance of long-term financial obligations to its overall financial condition, the County will set target debt ratios, which will be calculated annually and included in the annual review of fiscal trends:
  - Total long-term obligations as a percentage of the estimated market value of taxable property should not exceed 2%; and
  - The ratio of debt service expenditures to General Fund and School Fund revenues, less General Fund transfers to the School Fund, should not exceed 10%.

- The County intends to maintain a 10-year payout ratio at or above 60% at the end of each adopted five-year CIP for tax supported debt and lease payments. When the County finances capital improvements or other projects through bonds or capital leases, it will repay the debt within a period not to exceed the expected useful life of the projects.

- The County will not entertain the use of derivatives as a method of financing debt unless and until such time as the Board of Supervisors adopts a specific derivatives-related policy.

More detailed information on the County's long-term obligations is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- According to Virginia Employment Commission, the unemployment rate for the County of Albemarle in June 2023 was 2.8%, compared to 2.9% of the similar period a year ago. For the same period, Virginia's unemployment rate was 2.8%. The national unemployment rate was 3.8%.

- According to the U.S. Census Bureau, the population in Albemarle County was estimated at 115,495 as of July 1, 2022. This reflects a population growth of 15.7% since 2010.

- The fiscal year 2024 Adopted Budget anticipated general fund revenues and expenditures to be $408,191,128, a 10.8% increase over the fiscal year 2023 budget. The Adopted Budget revenue projections showed an anticipated increase in local revenues, especially in real estate property tax ($30.9 million, an increase of 15.6%), offset by a decrease in personal property tax ($3.3 million, a decrease of 9.2%). The County's transfer to fund education operations (including education debt service) continues to be the largest expenditure area at 46.4% of total expenditures, with public safety being the next largest at 15.0%.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Chief Financial Officer, County of Albemarle, 401 McIntire Road, Room 149 Charlottesville, VA 22902, telephone (434) 296-5855, or visit the County's website at www.albemarle.org.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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EXHIBIT 1

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF NET POSITION
June 30, 2023

	Primary Government	Component Units	
	Governmental Activities	**School Board**	**EDA**
ASSETS			
Cash and investments	$ 149,857,966	$ 35,447,661	$ 1,022,676
Investments - restricted	113,743	-	-
Receivables (net of allowance for doubtful accounts) (Note 4)	27,476,463	508,216	224,173
Leases receivable - Note 25	263,212	-	-
Due from other governments (Note 5)	15,583,080	12,972,954	-
Prepaid items	2,338,109	154,181	-
Inventories	119,791	340,534	-
Net pension asset (Note 13)	-	2,648,580	-
Capital asets (Note 7)			
Land and construction in progress	48,225,803	15,450,712	-
Other capital assets (net of accumulated depreciation)	145,634,833	60,944,424	-
Total assets	389,613,000	128,467,262	1,246,849
DEFERRED OUTFLOWS OF RESOURCES			
Deferred items related to pension (Notes 13, 14)	13,689,948	38,940,982	-
Deferred items related to OPEB (Notes 16, 17)	2,039,566	9,309,532	-
Total deferred outflows of resources	15,729,514	48,250,514	-
LIABILITIES			
Accounts payable and accrued liabilities	11,870,808	24,731,000	55,450
Amounts held for others	1,891,896	-	-
Accrued interest payable	863,143	-	-
Unearned revenue	6,887,920	-	-
Long-term liabilities:			
Net pension liability due in more than one year (Notes 13, 14)	27,718,724	114,782,242	-
Net OPEB liability due in more than one year (Notes 16, 17)	14,027,735	48,364,179	-
Due within one year (Note 8)	21,052,623	1,783,790	-
Due in more than one year (Note 8)	168,565,573	10,012,994	-
Total liabilities	252,878,422	199,674,205	55,450
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue (Note 9)	3,816,693	-	-
Deferred items related to pension (Notes 13, 14)	11,616,740	26,978,083	-
Deferred items related to leases	245,818	-	-
Deferred items related to OPEB (Notes 16, 17)	4,214,492	9,904,528	-
Total deferred inflows of resources	19,893,743	36,882,611	-
NET POSITION			
Net investment in capital assets	14,434,413	70,007,772	-
Restricted for:			
Grant compliance	10,484,407	-	-
Net pension asset	-	2,648,580	-
Unrestricted	107,651,529	(132,495,392)	1,191,399
Total net position	132,570,349	(59,839,040)	1,191,399
Total liabilities, deferred inflows of resources and net pension	$ 405,342,514	$ 176,717,776	$ 1,246,849

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
					Primary Government	Component Units	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Albemarle County Public Schools**	**Economic Development Authority**
Primary government:							
Governmental activities:							
General government administration	$ 26,038,310	$ 23,833	$ 721,949	$ -	$ (25,292,528)	$ -	$ -
Judicial administration	5,698,775	486,574	2,196,924	-	(3,015,277)	-	-
Public safety	64,272,057	4,407,887	15,830,863	-	(44,033,307)	-	-
Public works	16,159,367	-	-	1,255,909	(14,903,458)	-	-
Health and welfare	43,468,438	-	22,985,612	-	(20,482,826)	-	-
Education	182,614,469	-	9,461,582	-	(173,152,887)	-	-
Parks, recreation, and culture	12,667,681	321,860	422,864	-	(11,922,957)	-	-
Community development	43,385,081	3,215,020	156,509	-	(40,013,552)	-	-
Interest on long-term debt	4,845,069	-	410,263	-	(4,434,806)	-	-
Total governmental activities	$ 399,149,247	$ 8,455,174	$ 52,186,566	$ 1,255,909	$ (337,251,598)	$ -	$ -
Component units:							
Albemarle County Public Schools	$ 273,104,869	$ 5,589,446	$ 83,849,178	$ 4,115,335	$ -	$ (179,550,910)	$ -
Economic Development Authority	1,202,514	-	1,320,587	-	-	-	118,073
Total component units	$ 274,307,383	$ 5,589,446	$ 85,169,765	$ 4,115,335	$ -	$ (179,550,910)	$ 118,073
General revenues:							
Taxes:							
General property taxes, real, and personal					$ 256,096,410	$ -	$ -
Local sales and use taxes					23,966,608	-	-
Business licenses tax					16,808,507	-	-
Consumer utility taxes					4,834,766	-	-
Meals tax					16,892,773	-	-
Motor vehicle licenses tax					4,141,427	-	-
Other taxes					12,129,841	-	-
Payment from County - Education					-	180,066,954	-
Grants and contributions not restricted to specific programs					19,911,934	-	-
Unrestricted use of money and property					6,548,075	521,893	29,595
Miscellaneous					2,753,760	3,996,445	4,532
Total general revenues					364,084,101	184,585,292	34,127
Change in net position					26,832,503	5,034,382	152,200
Net position, beginning of year, as restated					105,737,846	(64,873,422)	1,039,199
Net position, end of year					$ 132,570,349	$ (59,839,040)	$ 1,191,399

The Notes to Financial Statements are an integral part of this Statement.

FUND FINANCIAL STATEMENTS

EXHIBIT 3

COUNTY OF ALBEMARLE, VIRGINIA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Special Revenue Funds: Federal and State Grants Fund	Special Revenue Funds: ARPA Fund	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 72,239,300	$ 10,165,125	$ 6,618,221	$ 37,033,341	$ 11,965,975	$ 138,021,962
Investments - restricted	-	-	-	113,743	-	113,743
Property taxes receivable, (net of allowance for uncollectibles)	20,117,097	-	-	-	-	20,117,097
Receivables (net of allowance for uncollectibles) (Note 4)	5,073,170	7,700	239,191	-	1,070,433	6,390,494
Lease receivable	263,212	-	-	-	-	263,212
Due from other governments (Note 5)	12,325,807	2,951,397	-	305,876	-	15,583,080
Prepaid items	1,725,631	310,219	-	295,155	-	2,331,005
Inventories	119,791	-	-	-	-	119,791
Total assets	$ 111,864,008	$ 13,434,441	$ 6,857,412	$ 37,748,115	$ 13,036,408	$ 182,940,384
LIABILITIES						
Accounts payable and accrued liabilities	$ 6,487,583	$ 2,623,803	$ 3,905	$ 1,270,875	$ 267,387	$ 10,653,553
Unearned revenue	18,401	23,925	6,845,594	-	-	6,887,920
Amounts held for others	1,891,896	-	-	-	-	1,891,896
Total liabilities	8,397,880	2,647,728	6,849,499	1,270,875	267,387	19,433,369
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, property tax (Note 9)	11,893,729	-	-	-	-	11,893,729
Unavailable revenue, leases	245,818	-	-	-	-	245,818
Unavailable revenue, opioid settlement	-	-	-	-	797,821	797,821
Total deferred inflows of resources	12,139,547	-	-	-	797,821	12,937,368
FUND BALANCES						
Nonspendable:						
Inventories and prepaid items	1,845,422	310,219	-	295,155	-	2,450,796
Net leases receivable	17,394	-	-	-	-	17,394
Restricted:						
Grant compliance	-	10,476,494	7,913	-	-	10,484,407
Capital projects	-	-	-	113,743	-	113,743
Committed:						
General government administration	578,481	-	-	-	-	578,481
Judicial administration	12,768	-	-	-	-	12,768
Public safety	737,855	-	-	-	-	737,855
Public works	78,625	-	-	-	-	78,625
Health and welfare	376,606	-	-	-	-	376,606
Parks and recreation	247,400	-	-	-	-	247,400
Community development	267,027	-	-	-	-	267,027
Transfers, contingencies, and refunds	300,000	-	-	-	-	300,000
General capital projects	98,000	-	-	36,068,342	-	36,166,342
Storm water projects	-	-	-	-	3,084,699	3,084,699
Special revenue	-	-	-	-	8,886,501	8,886,501
Education - School Reserve Fund	9,161,933	-	-	-	-	9,161,933
Unassigned	77,605,070	-	-	-	-	77,605,070
Total fund balance	91,326,581	10,786,713	7,913	36,477,240	11,971,200	150,569,647
Total liabilities, deferred inflows of resources and fund balance	$ 111,864,008	$ 13,434,441	$ 6,857,412	$ 37,748,115	$ 13,036,408	$ 182,940,384

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2023

Total fund balances for governmental funds (Exhibit 3)		$ 150,569,647
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total net capital assets consist of:		
Land	$ 11,678,020	
Construction in progress	7,967,937	
School Board construction in progress	28,579,846	
Buildings and improvements, net of accumulated depreciation	46,457,751	
Other improvements, net of accumulated depreciation	7,830,050	
Furniture, equipment, and vehicles, net of accumulated depreciation	13,409,256	
School Board capital assets, net of accumulated depreciation	77,937,776	193,860,636
Internal services funds are used by the County to charge the cost of health and dental insurance benefits, vehicle replacement and duplicating costs to individual funds and the School Board. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The internal service funds net position is:		7,671,139
Some of the County's property taxes will be collected after year-end but are not available soon enough to pay for the currect year's expenditures and, therefore, are reported as unavailable revenue in the funds.		8,077,036
Long-term assets related to opioid settlements are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		797,821
Financial statement elements related to pension and OPEB plans are applicable to future periods and, therefore, are not reported in the funds		
Deferred inflows related to pensions	(11,616,740)	
Deferred inflows related to OPEB	(4,214,492)	
Deferred outflows related to pensions	13,689,948	
Deferred outflows related to OPEB	2,039,566	(101,718)
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Also, the County received a premium on its long-term debt issues when refunding debt. The premium costs will be amortized over the life of the new bond issue as interest is paid. Balances of long-term liabilities affecting net position as as follows:		
Accrued interest payable	(863,143)	
General obligation bonds	(44,385,000)	
Public facility revenue and refunding bonds	(119,305,001)	
Net pension liability	(27,718,724)	
Net OPEB liabilities	(14,027,735)	
Unamortized bond premium	(15,849,965)	
Compensated absences	(6,154,644)	(228,304,212)
Total net position of governmental activities (Exhibits 1 and 2)		$ 132,570,349

The Notes to Financial Statements are an integral part of this Statement.

EXHIBIT 5

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Special Revenue Funds: Federal/ State Grants Fund	Special Revenue Funds: ARPA Fund	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 256,942,007	$ -	$ -	$ -	$ -	$ 256,942,007
Other local taxes	76,413,324	-	-	-	2,360,599	78,773,923
Permits, privilege fees, and regulatory licenses	3,333,046	-	-	-	21,540	3,354,586
Fines and forfeitures	418,241	-	-	-	-	418,241
Use of money and property	5,267,207	6,790	-	614,143	228,329	6,116,469
Charges for services	4,682,346	-	-	-	-	4,682,346
Miscellaneous	445,907	706,913	-	1,556,153	-	2,708,973
Recovered costs	1,745,075	127,320	-	-	-	1,872,395
Other revenue	-	-	-	-	222,156	222,156
Intergovernmental:						
Contribution from School Board	7,061,582	2,400,000	-	-	-	9,461,582
Commonwealth	28,312,112	8,298,185	-	694,630	330,108	37,635,035
Federal Government	8,011,616	6,585,418	11,019,326	561,279	80,155	26,257,794
Total revenues	392,632,463	18,124,626	11,019,326	3,426,205	3,242,887	428,445,507
EXPENDITURES						
Current:						
General government administration	23,060,720	-	100,890	-	-	23,161,610
Judicial administration	6,920,542	6,000	-	-	-	6,926,542
Public safety	48,963,733	2,851,562	10,101,717	-	3,144	61,920,156
Public works	8,526,850	-	-	-	70,536	8,597,386
Health and welfare	28,501,627	13,829,982	238,756	-	43,283	42,613,648
Education - public school systems	169,090,100	-	-	-	-	169,090,100
Parks, recreation and cultural	10,106,355	97,865	324,999	-	-	10,529,219
Community development	29,065,143	4,800,466	145,051	-	782,784	34,793,444
Contingencies	578,652	-	-	-	-	578,652
Debt service:						
Principal payments	-	-	-	-	15,995,000	15,995,000
Interest and fiscal charges	-	-	-	-	7,338,886	7,338,886
Capital projects	-	-	-	20,631,229	789,633	21,420,862
Total expenditures	324,813,722	21,585,875	10,911,413	20,631,229	25,023,266	402,965,505
Excess (deficiency) of revenues over (under) expenditures	67,818,741	(3,461,249)	107,913	(17,205,024)	(21,780,379)	25,480,002
OTHER FINANCING SOURCES (USES)						
Transfers in	3,595,490	6,499,023	-	24,764,233	24,711,949	59,570,695
Transfers out	(54,327,078)	(421,890)	(100,000)	(16,000)	(4,776,539)	(59,641,507)
Total other financing sources (uses)	(50,731,588)	6,077,133	(100,000)	24,748,233	19,935,410	(70,812)
Net change in fund balance	17,087,153	2,615,884	7,913	7,543,209	(1,844,969)	25,409,190
Fund balance, beginning of year	74,239,428	8,170,829	-	28,934,031	13,816,169	125,160,457
Fund balance, end of year	$ 91,326,581	$ 10,786,713	$ 7,913	$ 36,477,240	$ 11,971,200	$ 150,569,647

The Notes to Financial Statements are an integral part of this Statement.

EXHIBIT 6

COUNTY OF ALBEMARLE, VIRGINIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Net change in fund balances - total governmental funds (Exhibit 5)			$ 25,409,190
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceed capital outlays in the currect period is as follows:			
Capital outlay additions:			
Construction in progress additions	$ 3,385,969		
Construction in progress deletions	(3,786,249)		
Other improvements additions	3,495,850		
Furniture, equipment and vehicle additions	6,193,581	$ 9,289,151	
Depreciation expense		(10,369,437)	(1,080,286)
In the statement of activities, only the gain (loss) on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.			(1,091,270)
School Board capital assets are jointly owned by the County and School Board. The County share of School Board capital assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year-to-year basis. The net transfer resulting from this relationship increased the transfers to the School Board as follows:			
School construction in progress additions		274,326	
School construction in progress deletions		(11,706,874)	
School buildings and improvements additions		11,706,874	
School buildings and improvements deletions		(11,251,180)	(10,976,854)
Under the modified accrual basis of accounting used in the governmental funds, revenues are recorded when measurable and available to pay current obligations. However, in the statement of net position revenues are reported when earned. This requires adjustments to convert the revenues to the accrual basis.			(1,022,968)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			
Decrease in deferred inflows related to the measurement of the net pension liability		12,737,264	
Increase in deferred inflows related to the measurement of the net OPEB liability		(678,013)	12,059,251
Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases the long-term liabilities and does not affect the statement of activities. Similarly, the repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.			
Repayments:			
General obligation school bonds		6,045,000	
Public facility revenue bonds		9,950,000	
			15,995,000
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:			
Compensated absences		(657,463)	
Amortization of deferred amount on refunding		(267,204)	
Amortization of bond premium		2,580,651	
Increase in net pension liability		(5,760,614)	
Decrease in net OPEB liabilities		1,191,205	
Decrease in deferred outflows related to the measurement of the net pension liability		(4,197,116)	
Increase in deferred outflows related to the measurement of the net OPEB liability		290,097	
Accrued interest payable		180,369	(6,640,075)
Internal service funds are used by the County to charge the costs of health and dental insurance benefits, vehicle replacement and duplicating costs to individual funds. The change in net position of internal service funds is reported with governmental activities.			(5,819,485)
Change in net position of governmental activities (Exhibit 2)			$ 26,832,503

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

		Governmental Activities
		Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$	11,836,004
Receivables, (net of allowance for doubtful accounts) - Note 4		968,872
Prepaid expenses		7,104
Total assets		12,811,980
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities		1,217,255
Claims payable:		
Due within one year		3,923,586
Total liabilities		5,140,841
NET POSITION		
Unrestricted		7,671,139
Total liability and net position	$	12,811,980

The Notes to Financial Statements are an integral part of this Statement.

EXHIBIT 8

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for services, net	$ 168,119,287
OPERATING EXPENSES	
Benefits and related expenses	42,188,919
Services and supplies	132,252,271
Total operating expenses	174,441,190
OPERATING LOSS	(6,321,903)
NON-OPERATING REVENUES	
Interest income	431,606
TRANSFERS	
Transfers in	70,812
Change in net position	(5,819,485)
Net position, beginning of year as restated	13,490,624
Net position, end of year	$ 7,671,139

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2023

	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from insured	$ 36,554,934
Receipts from services	132,434,738
Payments to suppliers	(178,436,012)
Net cash used for operating activities	(9,446,340)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers	70,812
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	161,196,179
Net decrease in cash and cash equivalents	12,812,625
Cash and cash equivalents, beginning of year	20,779,926
Cash and cash equivalents, end of year	$ 11,836,004
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES	
Operating loss	$ (6,321,903)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Changes in assets and liabilities:	
Receivables, net	870,385
Prepaid expenses	35,984
Accounts payable and accrued liabilities	(4,504,960)
Reconciled overdraft	(8,510)
Claims payable	482,664
Net cash used for operating activities	$ (9,446,340)

EXHIBIT 10

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Private Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and investments	$ 11,461,151	$ 12,966,551
Accounts receivable	3,667	361,341
Prepaid expenses	-	98,933
Net pension asset	-	23,965
Land and capital assets, net	-	11,679,037
Investments with trustee	439,780	-
Total assets	11,904,598	25,129,827
DEFERRED OUTFLOWS		
Deferred outflows	-	1,402,354
Total deferred outflows	-	1,402,354
LIABILITIES		
Accounts payable	-	723,237
Compensated absences	-	448,572
Deferred revenues	-	643,955
Pension and OPEB liabilities	-	3,286,403
Total liabilities	-	5,102,167
DEFERRED INFLOWS		
Deferred inflows	-	1,507,521
Total deferred inflows	-	1,507,521
NET POSITION		
Restricted	$ 11,904,598	$ 19,922,493

The Notes to Financial Statements are an integral part of this Statement.

EXHIBIT 11

COUNTY OF ALBEMARLE, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Private Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Private contributions	$ -	$ 2,022,792
Government contributions	-	5,193,352
Charges for services	-	7,638,071
Intergovernmental	-	3,436,140
Miscellaneous	-	82,849
Proffers	1,186,048	-
Total contributions	1,186,048	18,373,204
Investment earnings:		
Interest	-	273,663
Investment earnings	376,401	-
Total investment earnings	376,401	273,663
Total additions	1,562,449	18,646,867
DEDUCTIONS		
Recipient payments	-	1,794,362
Administrative expenses	-	396,644
Parks and rec	-	294,437
Juvenile public safety	-	4,157,712
Emergency communications	-	9,652,558
Visitors Bureau	-	3,260,157
General	500	-
Contributions	186,711	-
Total deductions	187,211	19,555,870
Change in net position	1,375,238	(909,003)
Net position, beginning of year as restated	10,529,360	20,831,496
Net position, end of year	$ 11,904,598	$ 19,922,493

The Notes to Financial Statements are an integral part of this Statement.

Note 1. Summary of Significant Accounting Policies

Narrative Profile

The County of Albemarle, located in central Virginia and bordered by the counties of Augusta, Buckingham, Fluvanna, Greene, Louisa, Nelson, Orange and Rockingham, was founded in 1744. The County has a land area of 726 square miles.

The County is governed under the County Executive - Board of Supervisors form of government. Albemarle County engages in a comprehensive range of municipal services, including general government administration, public safety and administration of justice, education, health, welfare, human service programs, planning, community development and recreation, cultural, and historic activities.

The financial statements of the County of Albemarle, Virginia have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as specified by the Governmental Accounting Standards Board, and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

Governmental standards established a statement that includes requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easy to understand and more useful to the people who use governmental financial information to make decisions and includes:

- Management's Discussion and Analysis: The financial statements are accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

- Government-wide Financial Statements: The reporting model includes financial statements (statement of net position and statement of activities) prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

- Statement of Net Position: The Statement of Net Position is designed to display the financial position of the primary government (governmental activities) and its discretely presented component units. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

- Statement of Activities: The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

- Budgetary Comparison: Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. The County and many other governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments will provide budgetary comparison information in their annual reports including the government's original budget to the current comparison of final budget and actual results for its major funds.

As required by the GAAP, these financial statements present the primary government and its component unit entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. The discretely presented component units have a June 30 fiscal year-end.

Jointly-Governed Organizations Excluded from the Reporting Entity:

Jointly governed organizations are regional governments or other multi-governmental arrangements that are governed by representation from each of the governments that create the organizations, and the participants do not retain an ongoing financial interest or responsibility in the organization. The financial activities of the following organizations are excluded from the accompanying financial statements for the reasons indicated:

Jefferson-Madison Regional Library

The Jefferson-Madison Regional Library provides library services to the Counties of Albemarle, Louisa, Madison, Greene and the City of Charlottesville. The participating localities provide annual contributions for operations based on book circulation. No one locality contributes more than 50% of the Library's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County appropriated to the Library $4,966,782 in operating funds in fiscal year 2023. The County has no equity interest in the Library.

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Jointly-Governed Organizations Excluded from the Reporting Entity: (Continued)

Albemarle-Charlottesville Jail Authority

The City of Charlottesville, the County and Nelson County provide the financial support for the Authority and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The localities are charged on a per diem rate for their respective prisoner days. Other localities, the state and the federal government also reimburse the Authority for prisoner care. The Authority is excluded from the reporting entity because the County has no control over Authority fiscal matters. The County has no equity interest in the Jail Authority.

Albemarle County Service Authority

The Authority was created by the Board of Supervisors to operate the County's water and sewer system. The County has no control over Authority fiscal matters, Board members have no continuing relationship with the County, the Authority's Board approves its own budget and appoints management, the County is neither legally nor morally obligated for the Authority's debt, the County has no claim on surpluses nor responsibility for financing deficits, and the Authority sets its own rates. The County has no equity interest in the Authority.

Charlottesville-Albemarle Airport Authority

The Authority is excluded from the reporting entity because the County has no control over Authority fiscal matters. Board members have no continuing relationship with the County, the Authority Board approves its own budget and appoints management, and the County is neither legally nor morally obligated for the Authority's debt, the County has no claim on surpluses nor responsibility for financing deficits and the Authority sets its own rates. The County has no equity interest in the Authority.

Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority

The Authorities are excluded from the reporting entity because the County has no control over either Authority's fiscal matters. Both Authority Boards approve their own budget and appoint management. The County has no claims on surpluses, or responsibility for financing deficits, and the Authorities set their own rates. The County has no equity interest in either Authority.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Jointly-Governed Organizations Included in the Reporting Entity:

Custodial Funds of the Reporting Entity:

The financial activities of the following organizations are included in the reporting entity as custodial funds due to requirements under GASB No. 84. The County is a custodian for individuals, other governmental units, or other funds. These funds are accounted for in the same manner as a proprietary fund with the measurement focus upon determination of the changes in net position. These funds are excluded from government-wide activities.

Blue Ridge Juvenile Detention Commission

The Commission was created to construct and operate a juvenile detention center for the Counties of Albemarle, Fluvanna and Greene, and the City of Charlottesville. Commission members are appointed by each participant locality. No locality appoints a majority of the Board Members. The participating localities contribute operating and capital grants to the Commission for its operations and debt service. In 2023, the County contributed $538,496 in operating grants to the Commission. The County has no equity interest in the Commission.

Emergency Communications Center

The University of Virginia, the City of Charlottesville, and the County provide the financial support for the Center and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. No one locality or organization contributes more than 50% of the Center's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County has no equity interest in the Center.

Charlottesville Albemarle Convention and Visitors Bureau

The City of Charlottesville and the County provide the financial support for the Bureau and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. No one locality or organization contributes more than 50% of the Center's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County has no equity interest in the Bureau.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Financial reports for the jointly governed organizations that issue separate financial statements can be obtained as follows:

Emergency Communications, the
Charlottesville Albemarle Convention & Visitors Bureau, the
Blue Ridge Juvenile Detention Center
Chief Financial Officer
County of Albemarle
401 McIntire Road
Charlottesville, Virginia 22902

Jefferson-Madison Regional Library
Director of Finance
City of Charlottesville
City Hall
Charlottesville, Virginia 22902

Albemarle County Service Authority
168 Spotnap Road
Charlottesville, Virginia 22902

Albemarle-Charlottesville Jail Authority
160 Peregory Ln
Charlottesville, Virginia 22902

Charlottesville-Albemarle Airport Authority
100 Bowen Loop, Suite 200
Charlottesville, Virginia 22901

Region Ten Community Services Board
800 Preston Avenue
Charlottesville, Virginia 22902

Rivanna Water & Sewer Authority and Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. In the current reporting model, the focus is on both the County as a whole and the fund financial statements, including the major individual funds, as well as the fiduciary funds, (by category) and the component unit. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The government-wide financial statements exclude both fiduciary funds of the primary government and fiduciary-type component units.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Proprietary fund operating revenues consist of charges for services and related revenues. Non-operating revenues consist of contribution, grants, investment earnings and other revenues not directly derived from the providing of services. Internal service charges are eliminated and the net income or loss from internal service activities are allocated to the various functional expense categories based on the internal charges to each function.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented, which briefly explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The County's fiduciary funds are presented in the fund financial statements by type (private purpose and custodial). Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the County.

1. Governmental Funds:

Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Funds utilize the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

a. General Fund - The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants. A significant part of the General Fund's revenues are used primarily to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for financial reporting purposes.

b. Special Revenue Funds - Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Special Revenue Funds include the following major and nonmajor funds:

Federal/State Grants Fund - This fund accounts for various federal and state grant funds including the funding for the Comprehensive Services Act program, criminal justice grants, Section 8 housing program and other related programs. The federal and state grant fund is considered a major fund for financial reporting purposes.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

1. Governmental Funds: (Continued)

b. Special Revenue Funds (Continued)

ARPA Fund – The fund accounts for American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds received for COVID-19. The ARPA Act fund is considered a major fund for financial reporting purposes. The fund was previously named the CARES Act and ARPA Fund, however renamed after the expenditure of the County's CARES Act awards.

The following special revenue funds are considered nonmajor for financial reporting purposes:

Courthouse Maintenance Fund - This fund accounts for courthouse maintenance fees collected resulting from traffic and related fines.

Water Resources Fund - This fund accounts for recent state mandates that have significance in water resources and to assist in storm water management.

Stream Buffer Fund – This fund accounts for revenues received in relation to stream protection projects.

Tourism Fund - This fund accounts for funds appropriated for tourism projects.

Old Crozet School Fund - This fund accounts for rental revenues and maintenance and operational expenditures for the Old Crozet School.

Economic Development Fund - This fund accounts for revenues and expenditures for economic development.

Opioid Settlement Fund - This fund accounts for revenues and expenditures for opioid abatement and remediation purposes.

Plastic Bag Tax Fund - This fund accounts for revenues from the County's disposable plastic bag tax and expenditures to fund various environmental outreach initiatives.

c. Debt Service Funds – Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources that are being accumulated for future debt service. Debt service funds include the following nonmajor funds:

General Debt Service Fund - This fund accounts for resources accumulated to pay debt service for all general obligation debt incurred for general capital projects. Financing is provided by transfers from the General Fund.

School Debt Service Fund - This fund accounts for debt service expenditures for the school system for the payments of principal and interest on the school system's general long-term debt. Financing is provided by appropriations from the General Fund.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

1. Governmental Funds: (Continued)

d. Capital Projects Funds – Capital project funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. Capital project funds include the following:

General Capital Improvements Fund - This fund accounts for capital project expenditures for general public improvements and large equipment acquisitions. Financing is provided by governmental grants, capital leases, and general fund revenues. This fund is considered a major fund for financial reporting purposes.

Storm Water Control Fund - This fund accounts for expenditures for drainage and other systems for storm water control. Financing is provided primarily from General Fund revenues. This fund is considered a nonmajor fund for financial reporting purposes.

2. Proprietary Funds:

Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Internal Service Funds.

Internal Service Funds - These funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the County government. The Internal Service Funds consist of the Health Insurance Fund, Dental Plan Pool Fund, Duplicating Fund, Facilities Development Fund, Computer Replacement Fund and the Vehicle Replacement Fund. A description and nature of each fund follows:

Health Insurance Fund - This fund accounts for all activities of the County and Component Unit School Board employee health insurance program. Other jointly-governed organizations also participate in the program.

Dental Plan Pool Fund – This fund accounts for all activities of the County and Component Unit School Board employee dental insurance program. Other jointly-governed organizations also participate in the program.

Duplicating Fund - This fund accounts for revenues received for copying, printing, and related services.

Computer Replacement Fund - This fund accounts for activity of the County for the purchase and replacement of computers.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

2. Proprietary Funds: (Continued)

Facilities Development Fund - This fund accounts for all the operations of the County's capital projects management function. The major revenues of this fund consist of charges for services provided in coordinating and supervising all County building construction projects.

Vehicle Replacement Fund - This fund accounts for activity of the County for the purchase and disposal of County vehicles.

Payroll Suspense Fund - This fund accounts for various employee payroll withholdings and payments of employee benefits.

CATEC Fund - This fund accounts for funds received from various sources for Charlottesville- Albemarle Vocational Technical Education Center. The County processes the payroll for the Center.

3. Fiduciary Funds (Trust and Custodial Funds):

Fiduciary Funds (Trust and Custodial Funds) account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. The funds include Private Purpose Trust and Custodial Funds. Private purpose trust funds utilize the accrual basis of accounting as described in the Proprietary Funds presentation. Custodial funds also utilize the accrual basis of accounting. The Private Purpose Trust and Custodial Funds consist of the following:

a. Private Purpose Trust Funds:

McIntire Trust Fund - This fund accounts for monies provided by a private donor, the corpus of which is nonexpendable. Interest and other earnings on assets may be used for educational purposes. The County does not control the activity of this fund or utilize these funds for County operations.

Juanise Dyer Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for college scholarships for a graduate of one of the County high schools.

Weinstein Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for the installation of traffic control devices for a certain area of the County. The County does not control the activity of this fund or utilize these funds for County operations.

Crozet Crossings Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for assistance to persons who qualify for the purchase of homes in the Crozet Crossings project. The County does not control the activity of this fund or utilize these funds for County operations.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

3. Fiduciary Funds (Trust and Custodial Funds) (Continued)

a. Private Purpose Trust Funds (Continued):

Synthetic Turf Field Funds - These funds account for monies provided by private donors to be accumulated for purchase of synthetic turf fields. The County does not control the activity of this fund or utilize these funds for County operations.

Proffer Trust Fund - This fund accounts for funds received for proffers for seven communities located in the County. Earnings on these funds may be used for the construction of or upgrade of certain public improvements in the communities. The County does not control the activity of this fund or utilize these funds for County operations.

b. Custodial Funds:

Special Welfare Fund - This fund accounts for monies provided primarily through private donors for assistance of children in foster care, needy senior citizens and others. This fund is also used to account for monies received from other governments and individuals (i.e., social security and child support) to be paid to special welfare recipients.

Drug Fund - This fund accounts for monies received from state and federal authorities for the prevention of drug abuse and distribution of illegal substances.

HUD Family Self Sufficiency Fund - This fund accounts for funds received from various sources for families participating in the County housing programs.

County Contribution Fund - This fund accounts for funds received from various sources for charitable and other purposes.

ACE Contribution Fund – This fund accounts for funds received as private citizens-donations and will be used in combination with the funding from the County's ACE (Acquisition of Conservation Easements) program to obtain conservation easement acquisitions.

Firearms Range Operating Fund - This fund accounts for the operations of the Firearms Range facility.

State Account Fund - This fund accounts for various funds that are collected on behalf and remitted to the State and are unable to be used for local government operations.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

3. Fiduciary Funds (Trust and Custodial Funds) (Continued)

b. Custodial Funds (Continued):

Appeal Bond Fund – This fund accounts for appeal bonds held for others.

Sheriff Reserve Fund – This fund accounts for funds held for the Sheriff's Department use.

Performance Bond Fund - This fund accounts for the receipt and disbursements of performance bonds required by the County for erosion and sediment control, and other items relative to construction by private developers.

Natural Heritage Fund – This fund accounts for contributions held for the Natural Heritage Committee.

Commonwealth Attorney Commission Fund – This fund accounts for commissions held by the Commonwealth Attorney for others.

Public Recreation Facility Authority – This fund is used to account for amounts held by the Authority for operations related to open-space land and interests therein.

Courts Escrow Fund – This fund accounts for monies which were received as a result of a seizure warrant and which are being held for others.

Albemarle Broadband Authority – This fund is used to account for amounts held by the Authority for Broadband Purposes.

Darden Towe Memorial Park – This fund is used to account for assets held in an agency capacity for Darden Towe Memorial Park.

Charlottesville-UVA-Albemarle Emergency Communications Center – This fund is used to account for assets held in an agency capacity for the Emergency Communications Center.

Charlottesville Albemarle Convention & Visitors Bureau Center – This fund is used to account for assets held in an agency capacity for the Visitor's Bureau

Blue Ridge Juvenile Detention Commission – This fund is used to account for assets held in an agency capacity for the Juvenile Detention facility.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

4. Component Unit:

Economic Development Authority:

The Economic Development Authority is a political subdivision of the Commonwealth of Virginia and created by the Board of Supervisors. The EDA's role is to assist in qualified businesses and industries who plan to expand or locate within the County by administering grant and bond programs that support economic vitality. The Authority is governed by seven directors approved by the Board of Supervisors of Albemarle County, Virginia.

Albemarle County School Board:

The Albemarle County School Board is elected to four-year terms by the County voters. The School Board may hold property and the County issues general obligation debt for the School Board's capital projects. The School Board provides public primary and secondary education services to the County residents. The primary funding sources of the School Board are state and federal grants, and appropriations from the County, which are significant since the School Board does not have separate taxing authority. The County also approves the School Board budget. The School Board does not issue separate financial statements. The Albemarle County School Board has the following funds:

Governmental Funds:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Albemarle and State and Federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

School Food Services Fund - This fund accounts for and reports the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales, and State and Federal grants. The School Food Services Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

School Activities Fund - This fund accounts for and reports the funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the schools involving personnel, students, or property. The School Activities Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

School Capital Projects Fund - This fund accounts for and reports school construction and related expenditures of the public school system. Funding is primarily from investment earnings and appropriations from the County of Albemarle. The School Capital Projects Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net position and statements of activities, all proprietary funds, and private-purpose trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

The statements of net position, statements of activities, financial statements of the Internal Service Funds and Fiduciary Funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General, Special Revenue, Debt Service and Capital Projects (for the primary government and component units and EDA) are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term “available” is limited to collection within forty-five days of the fiscal year-end. Levies made prior to the fiscal year- end but which are not available are unavailable. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

D. Budgets and Budgetary Accounting

The Board of Supervisors annually adopts budgets for the various funds of the primary government and component units. All appropriations are legally controlled at the department level for the primary government funds. The School Board and EDA appropriations are determined by the Board of Supervisors and controlled in total by the primary government.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all major funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the major funds presents actual expenditures in accordance with the GAAP on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting: (Continued)

Encumbrances:

Encumbrance accounting, the recording of purchase orders, contracts, and other monetary commitments in order to commit an applicable portion of an appropriation, is used as an extension of formal budgetary control in the primary government and component unit School Board. Encumbrances outstanding at year-end are reported as committed fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. These encumbrances are subject to reappropriation by the Board of Supervisors in the succeeding fiscal year. At June 30, 2023, amounts reappropriated by the Board totaled $2,969,762.

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the County Executive submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget includes proposed expenditures and the means of financing them.

2. Public hearings and open-houses are conducted to obtain citizen comments. Also, several work sessions between the Board of Supervisors and School Board are conducted on the School Board budget.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the fund, function, and departmental level. The appropriation for each fund, function and department can be revised only by the Board of Supervisors; however, the School Board is authorized to transfer budgeted amounts within the school system's categories. Supplemental appropriations in addition to the appropriated budget were necessary during the year. Supplemental appropriations may not be made without amending the budget.

5. The County legally adopted budgets for the following funds:

   General, Federal/State Grants, ARPA, Courthouse Maintenance, Tourism, General Debt Service, School Debt Service, Stormwater Control, Economic Development, Plastic Bag Tax, School Operating, School Food Services, and School Capital Projects Funds.

   The County may adopt budgets for other funds, such as the Internal Service and Trust and Custodial Funds, for use as a management control device over such funds. The budget for the General Capital Improvements Fund is not presented.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. All appropriations lapse on June 30, for all County and School Board funds.

8. All budgetary data presented in the accompanying financial statements is the original budget as of June 30, 2023, as adopted, appropriated and legally amended.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgets and Budgetary Accounting (Continued)

Encumbrances: (Continued)

9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following procedures used in the adoption of the original budget. There were several budget amendments during the year that exceeded the 1% or $500,000 limitations. The Board of Supervisors must approve all appropriations and transfers of appropriated amounts.

E. Cash and Cash Equivalents

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

The County maintains a pool of cash and investments in which each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on average monthly balances. The majority of funds in the County's accounts are invested at all times.

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year-end.

G. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $2,086,318 at June 30, 2023, and consists of taxes receivable in the General Fund.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Inventories

Inventories are reported at average cost using the consumption method.

Note 1. Summary of Significant Accounting Policies (Continued)

J. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds of the primary government and Component Unit School Board and as tangible and intangible assets in the government-wide financial statements to the extent the County's and School Board's capitalization threshold of $5,000 is met. The County and Component Unit School Board do not have any infrastructure in their capital assets since roads, streets, bridges, and similar assets within its boundaries are property of the Commonwealth of Virginia. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings and improvements	20 to 40 years
Other improvements	10 to 20 years
Furniture, equipment, and vehicles	3 to 10 years

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). Donated capital assets are valued at their acquisition value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend the useful life of an asset are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

K. Leases

Lessee: For new or modified contracts, the County determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the County records a lease asset and lease obligation which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not readily determinable, the County will use the applicable incremental borrowing rate in the calculation of the present value of the lease payments. The County is a lessee for a non-cancellable lease of certain parking stalls. The County recognizes a lease liability and right to use lease asset on the Statement of Net Position. Leases with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the lease term. At the commencement of a lease, the County measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight-line basis over a period that is the shorter of the lease term or the useful life of similar capital assets. Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

Note 1. Summary of Significant Accounting Policies (Continued)

K. Leases: (Continued)

Lessor: For new or modified contracts, the County determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the County records a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not explicit, the County may apply the guidance for imputation of interest as a means of determining the interest rate. The County will not recognize a lease receivable and a deferred inflow of resources for leases with a non-cancellable term of less than 12 months, and income is recognized as earned. The County is a lessor for non-cancellable leases of certain real estate. The County recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position. At the commencement of a lease, the County measures the lease receivable as the present value of payments expected to be received during the lease term and then reduces the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

L. Compensated Absences

The County and Component Unit School Board accrue compensated absences (annual and sick leave benefits) when vested. The County and School Board have accrued the liability arising from outstanding compensated absences.

Primary Government

County employees earn vacation and sick leave at various amounts depending on the length of service. Benefits or pay is received for unused sick leave or retirement bonus upon termination. There are various restrictions both for sick leave and retirement bonus upon termination of employment. Accumulated vacation up to 320 hours is paid upon termination. The County has outstanding accrued vacation and sick pay totaling $6,154,644.

Component Unit School Board

Certain School Board employees accrue vacation and sick leave. The School Board has outstanding accrued vacation and sick-pay totaling $5,409,420.

Note 1. Summary of Significant Accounting Policies (Continued)

M. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. Net Position

The difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

O. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

P. Long-Term Obligations

The County reports long-term obligations of governmental funds at face value. The face value of the debt is believed to be approximate fair value. Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Q. Fund Equity

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory, prepaids, and leases receivable) or are required to be maintained intact (corpus of a permanent fund);

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

The Board of Supervisors has established a minimum unassigned fund balance in the General Fund to be no less than 10% of the County’s total revenues and should the fund balance fall below the 10% target level, the County will develop a plan during the annual budget adoption process to replenish the fund balance over a period of not more than three years.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. The other items are comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

S. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's Retirement Plan and the additions to/deductions from the County's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS-related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS, GLI, HIC, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

U. Upcoming Pronouncements

In April 2022, the GASB issued **Statement No. 99**, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued **Statement No. 100**, *Accounting Changes and Error Corrections*. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

V. Subsequent Events

Subsequent to year end, the Economic Development Authority issued a $109,305,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2023A (Tax-Exempt), bearing interest at a coupon rate of 5.0%, maturing on June 1 in the years 2026 through 2043, and loaned the proceeds thereof to the County to pay costs of, or to fund future expenditures of, capital projects in the County's capital improvement plan and related costs of issuance. In addition, the Economic Development Authority issued a $58,850,000 Public Facility Revenue Bonds (Albemarle County Projects), series 2023B (Federally Taxable), bearing interest at a coupon rate of 5.3%, maturing on June 1, 2028, and loaned the proceeds thereof to the County to pay costs associated with acquiring certain real property around the Rivanna Station military development and related costs of issuance. In both cases, the County's loan repayments mirror the terms of the related bonds and are subject to annual appropriation by the County Board of Supervisors.

Note 2. Deposits and Investments

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard and Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

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(Continued)

Note 2. Deposits and Investments (Continued)

Credit Risk of Debt Securities

State statutes require that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's and Fitch Investor's Service. Corporate notes, negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investor Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investor Service. The County's rated debt investments as of June 30, 2023, were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

County's Rated Debt Investments' Values

Rated Debt Investments	**Fair Quality Ratings**	
	AAAm	**Unrated**
Mutual Funds	$ -	$ 344,038
Virginia State Non-Arbitrage Program	166,290	-
Local Government Investment Pool	194,277,690	
Total	$ 194,443,980	$ 344,038

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date

- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices

- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

(Continued)

Note 2. Deposits and Investments (Continued)

The County has the following recurring fair value measurements as of June 30, 2023:

Investment Type	Level 1
Mutual Funds	$ 344,038

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2023, there is no portion of the County's portfolio, excluding the LGIP that exceed 5% of the total portfolio. At present the County does not have a policy related to custodial credit risk.

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP and SNAP are not SEC-registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost-basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Investment Maturities (in years)		
Investment Type	**Fair Value**	**Less Than 1 Year**
Virginia State Non-Arbitrage Program	$ 166,290	$ 166,290
Local Government Investment Pool	194,277,690	194,277,690
Total	$ 194,443,980	$ 194,443,980

Note 2. Deposits and Investments (Continued)

Restricted Investments

Restricted investments at June 30, 2023, are comprised of the following:

	Primary Government
Government Activities:	
Capital Projects Fund:	
General projects unexpended bond proceeds	$ 113,743

Note 3. Property Taxes

Real property taxes are assessed on property values as of January 1 and attach as an enforceable lien on property as of the date levied by the Board of Supervisors. Personal property taxes are assessed on a prorated basis for the period the property is located in the County and also attach as an enforceable lien on the property.

Real estate and personal property taxes are due in two installments, the first on June 25 and the second on December 5.

A ten-percent penalty is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on their due date.

Property taxes for calendar year 2023 were levied by the County Board of Supervisors on May 4, 2023, on the assessed value listed as of January 1, 2023.

Property taxes levied in the current and prior-year have been recorded as receivables as of the date the County has the legal right to receive payments thereon. Property tax amounts levied in May 2023, but due in December 2023, are not reported as receivables in the current year. The receivables collected during the fiscal year and during the first 45 days of the succeeding fiscal year are recognized as revenues in the current fiscal year. Taxes receivable as of the end of the year (June 30) and not collected until the succeeding year are reported as unavailable revenues.

Note 4. Receivables

	Primary Government – Governmental Activities					Component Unit
	General	Federal/ State Grants Fund	ARPA Fund	Other Government Funds	Total	School Board
Property taxes	$ 22,203,415	$ -	$ -	$ -	$ 22,203,415	$ -
Other	5,073,170	7,700	239,191	1,070,433	6,390,494	508,216
Total	27,276,585	7,700	239,191	1,070,433	28,593,909	508,216
Allowance for uncollectibles	(2,086,318)	-	-	-	(2,086,318)	-
Net receivables	$ 25,190,267	$ 7,700	$ 239,191	$ 1,070,433	$ 26,507,591	$ 508,216

At June 30, 2023, the Economic Development Authority had $224,173 in accounts receivable consisting of expected reimbursements for bond servicing costs and loans for economic development.

Note 5. Due from Other Governments

Due from other governments at June 30, 2023, consist of the following:

	Governmental Funds				Component Unit
	General	Federal/ State Grants Fund	General Capital Improvements	Total	School Board
Commonwealth of Virginia:					
Local sales taxes	$ 3,863,096	$ -	$ -	$ 3,863,096	$ -
State sales taxes	-	-	-	-	3,378,663
PPTRA	6,783,357	-	-	6,783,357	-
Communications tax	510,229	-	-	510,229	-
Comprehensive Services Act	-	1,968,501	-	1,968,501	-
Shared expenses	245,735	-	-	245,735	-
Public assistance grants	160,795	-	-	160,795	-
Other state funds	211,824	57,507	305,876	575,207	356,842
Federal government:					
School funds	-	-	-	-	9,237,449
Public assistance grants	550,771	-	-	550,771	-
Other federal funds	-	925,389	-	925,389	-
Total	$ 12,325,807	$ 2,951,397	$ 305,876	$ 15,583,080	$ 12,972,954

(Continued)

Note 6. Interfund Balances and Activity

Primary Government

Balances Due To/From Other Funds

There are no balances due to or from other funds at June 30, 2023.

Transfers To/From Other Funds

General Fund	
Federal/State/ARPA Grants Funds for other costs	$ 521,890
Capital Projects	66,000
Water resources for costs expended	1,314,160
Tourism Fund for tourism program costs expended	1,693,440
Total General Fund	3,595,490
Federal/State Grants Fund	
General and other funds for local match funds for various grant programs	6,499,023
General Debt Service	
General and other funds for debt service expenditures	7,113,320
School Debt Service	
General Fund for debt service expenditures	15,810,303
General Capital improvements:	
General Fund and special reserve funds for capital projects	24,742,693
Courthouse Maintenance Fund for building renovations and other costs	21,540
Total General Capital Improvements Fund	24,764,233
Opioid Settlement Fund	
General Fund for transfer of assets to new fund	35,093
Computer Replacement Fund	
General Fund for paid in costs	70,812
Water Resources Fund	
General Fund for water resources projects	1,753,233
Total transfers	$ 59,641,507

(Continued)

Note 7. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2023:

Governmental Activities:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 11,704,520	$ -	$ 26,500	$ 11,678,020
Construction in progress	8,368,217	3,385,969	3,786,249	7,967,937
School construction in progress *	40,012,394	274,326	11,706,874	28,579,846
Total capital assets not being depreciated	60,085,131	3,660,295	15,519,623	48,225,803
Capital assets being depreciated:				
Buildings and improvements	90,761,118	-	193,277	90,567,841
Other improvements	15,369,519	3,495,850	51,122	18,814,247
School buildings and improvements *	84,810,048	11,706,874	11,251,180	85,265,742
Furniture, equipment, and vehicles	71,094,822	6,193,581	2,240,375	75,048,028
Total capital assets being depreciated	262,035,507	21,396,305	13,735,954	269,695,858
Accumulated depreciation:				
Buildings and improvements	42,233,211	1,997,062	120,183	44,110,090
Other improvements	10,047,252	970,229	33,284	10,984,197
School buildings and improvements *	4,793,588	2,534,378	-	7,327,966
Furniture, equipment, and vehicles	58,037,541	4,867,768	1,266,537	61,638,772
Total accumulated depreciation	115,111,592	10,369,437	1,420,004	124,061,025
Total capital assets being depreciated, net	146,923,915	11,026,868	12,315,950	145,634,833
Governmental activities capital assets, net	$ 207,009,046	$ 14,687,163	$ 27,835,573	$ 193,860,636

Depreciation expense was allocated as follows:	
General government administration	$ 2,818,610
Judicial administration	355,035
Public safety	3,730,925
Public works	38,549
Health and welfare	13,620
Education	2,547,513
Parks, recreation, and cultural	853,855
Community development	11,330
Total depreciation expense	$ 10,369,437

(Continued)

Note 7. Capital Assets (Continued)

Component Unit School Board:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets not being depreciated:				
Land and land improvements	$ 6,174,142	$ -	$ 17,392	$ 6,156,750
Construction in progress	43,063,527	6,517,155	11,706,874	37,873,808
School construction in progress Allocated to County *	(40,012,394)	(274,326)	(11,706,874)	(28,579,846)
Total capital assets not being depreciated	9,225,275	6,242,829	17,392	15,450,712
Capital assets being depreciated:				
Buildings and improvements	322,364,875	1,792,721	276,838	323,880,758
Leased buildings	2,221,532	-	-	2,221,532
Other improvements	24,620,486	9,834,513	-	34,454,999
School buildings and improvements *	(84,810,048)	(11,706,874)	(11,251,180)	(85,265,742)
Furniture, equipment, and vehicles	51,389,015	6,354,360	75,340	57,668,035
Total capital assets being depreciated	315,785,860	6,274,720	(10,899,002)	332,959,582
Accumulated depreciation:				
Buildings and improvements	202,252,341	9,772,265	-	212,024,606
Leased buildings	544,049	544,049	-	1,088,098
Other improvements	13,602,160	5,059,233	9,779	18,651,614
School buildings and improvements *	(4,793,588)	(2,534,378)	-	(7,327,966)
Furniture, equipment, and vehicles	45,396,636	2,463,148	280,978	47,578,806
Total accumulated depreciation	257,001,598	15,304,317	290,757	272,015,158
Total capital assets being depreciated, net	58,784,262	(9,029,597)	(11,189,759)	60,944,424
School Board capital assets, net	$ 68,009,537	$ (2,786,768)	$ (11,172,367)	$ 76,395,136
Depreciation expense allocated to education		$ 15,304,317		

*School Board capital assets are jointly owned by the County (primary government) and the component unit School Board. The County share of the School Board capital assets is in proportion to the debt owed on such assets by the County. The County reports depreciation on these assets as an element of its share of the costs of the public school system.

(Continued)

Note 7. Capital Assets (Continued)

Component Unit School Board: (Continued)

Reconciliation of primary government net position net investment in capital assets:

Net capital assets		$ 193,860,636
Long-term debt applicable to capital assets at June 30, 2023:		
General obligation school bonds	$ 44,385,000	
School – Public facility revenue bonds	69,460,588	
County – Public facility revenue bonds	49,844,413	
Premium on bonds payable	15,849,965	179,539,966
Less: debt proceeds received but not expended on capital assets at June 30, 2023		(113,743)
Net long-term debt		179,426,223
Net investment in capital assets		$ 14,434,413

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Note 8. Long-Term Obligations

Primary Government

General Fund revenues are used to pay all long-term general obligation debt, capital leases, pension, and OPEB liabilities and governmental activities compensated absences.

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2023:

	Balance July 1, 2022	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2023	Amounts Due Within One Year
General obligation school bonds:					
Direct Borrowings and Direct Placements	$ 50,430,000	$ -	$ 6,045,000	$ 44,385,000	$ 5,680,000
School - Public facility revenue bonds:					
Public Offerings	74,666,768	-	5,206,180	69,460,588	4,454,010
County – Public facility revenue bonds:					
Public Offerings	54,588,233	-	4,743,820	49,844,413	4,145,990
Premium on bonds payable	18,430,616	-	2,580,651	15,849,965	2,233,573
Claims payable	3,440,922	482,664	-	3,923,586	3,923,586
Compensated absences	5,497,181	657,463	-	6,154,644	615,464
Total primary government	$ 207,053,720	$ 1,140,127	$ 18,575,651	$ 189,618,196	$ 21,052,623

Reconciliation to Exhibit 1:	
Long-term liabilities due within one year:	$ 21,052,623
Long-term liabilities due in more than one year:	168,565,573
Total long-term obligations	$ 189,618,196

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

Annual requirements to amortize general long-term obligations and related interest are as follows:

	Direct Borrowings and Direct Placements		Revenue & Refunding Bonds			
			School Public Facility		County Public Facility	
Year Ending June 30,	General Obligation School Bonds		Public Offerings		Public Offerings	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 5,680,000	$ 1,829,431	$ 4,454,010	$ 2,553,790	$ 4,145,990	$ 2,022,019
2025	5,415,000	1,567,903	4,612,831	2,331,090	4,267,169	1,814,719
2026	5,035,000	1,321,021	4,697,840	2,182,526	4,532,160	1,620,638
2027	4,740,000	1,090,609	4,213,506	2,000,093	3,116,494	1,406,638
2028	3,985,000	883,854	4,030,709	1,798,533	3,189,291	1,261,410
2029	3,500,000	708,769	4,223,323	1,606,389	3,336,677	1,113,154
2030	2,180,000	579,316	4,179,441	1,414,303	3,390,560	967,840
2031	2,230,000	472,626	4,368,398	1,224,357	3,536,602	819,724
2032	1,790,000	371,181	4,562,306	1,024,912	3,687,694	664,206
2033	1,845,000	171,481	4,259,258	846,603	3,655,742	513,516
2034	1,900,000	262,131	3,881,877	679,803	2,328,123	363,047
2035	1,965,000	200,381	3,998,636	560,567	2,401,364	290,070
2036	2,025,000	136,519	3,713,235	437,007	2,316,765	213,918
2037	2,095,000	70,706	3,209,023	320,417	1,650,977	138,508
2038	-	-	2,683,892	221,124	1,041,108	85,776
2039	-	-	2,734,327	167,446	1,060,673	64,954
2040	-	-	2,791,968	112,759	1,083,032	43,741
2041	-	-	2,846,008	56,920	1,103,992	22,080
	$ 44,385,000	$ 9,665,928	$ 69,460,588	$ 19,538,639	$ 49,844,413	$ 13,425,958

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

Details of general long-term obligations outstanding are as follows:

	Amount Outstanding
County Public Facilities Revenue Bonds:	
Public Offerings:	
$38,880,000, Public Facility Revenue Bonds 2015B Series, (General portion $26,139,343) issued September 30, 2015, maturing in various annual installments ranging from $1,000,000 to $3,125,000 through June 1, 2036, interest payable semi-annually 2.7%	$ 12,548,841
$22,240,000, Public Facility Revenue Bonds, Series 2017, (General portion $10,259,891) issued March 9, 2017, maturing in various annual installments through June 1, 2037, interest payable semi-annually 2.853%	7,606,333
$66,710,000, Public Facility Revenue and Refunding Bonds, Series 2021A (General portion $18,644,924), issued June 24, 2021, maturing in various annual installments through June 1, 2041, interest payable semi-annually ranging from 2.00% to 5.00%	17,121,691
$8,235,000, Public Facility Revenue Bonds, Series 2021B, (General portion $1,566,297), issued June 24, 2021, maturing in various annual installments through June 1, 2026, interest payable semi-annually ranging from 0.65% to 5.00%	1,164,975
$16,920,000, Public Facility Revenue Bonds, Series 2022, (General portion $12,363,444), issued March 30, 2022, maturing in various annual installments through June 1, 2033, interest payable semi-annually ranging from 3.375% to 5.00%	11,402,573
Total County public facilities revenue bonds	49,844,413
School Public Facilities Revenue Bonds:	
Public Offerings:	
$66,710,000, Public Facility Revenue and Refunding Bonds, Series 2021A (School portion $48,065,076), issued June 24, 2021, maturing in various annual installments through June 1, 2041, interest payable semi-annually ranging from 2.00% to 5.00%	44,138,310
$8,235,000, Public Facility Revenue Bonds, Series 2021B, (School portion $6,668,703), issued June 24, 2021, maturing in various annual installments through June 1, 2026, interest payable semi-annually ranging from 0.65% to 5.00%	4,960,025
$22,240,000, Public Facility Revenue Bonds, Series 2017, (School portion $11,980,109) issued March 9, 2017, maturing in various annual installments through June 1, 2037, interest payable semi-annually 2.853%	8,273,667
$38,880,000, Public Facility Revenue Bonds 2015B Series, (School portion $12,740,657) issued September 30, 2015, maturing in various annual installments ranging from $1,000,000 to $3,125,000 through June 1, 2036, , interest payable semi-annually 2.7%	7,886,159

(Continued)

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

Details of general long-term obligations: (Continued)

	Amount Outstanding
School Public Facilities Revenue Bonds: (Continued)	
Public Offerings: (Continued)	
$16,920,000, Public Facility Revenue Bonds, Series 2022, (General portion $4,556,556), issued March 30, 2022, maturing in various annual installments through June 1, 2033, interest payable semi-annually ranging from 3.375% to 5.00%	$ 4,202,427
Total School public facilities revenue bonds	69,460,588
General Obligation School Bonds:	
Direct Borrowings and Direct Placements:	
$30,435,000, Series 2017, issued March 8, 2017, maturing in various annual installments through July 1, 2037, interest payable semi-annually at 2.853%	23,910,000
$2,000,000, Qualified School Construction Bonds, issued December 1, 2011, maturing in various annual installments through December 1, 2030, interest-free as a federal tax credit is provided to bondholders	880,000
$6,760,000, 2003A Series, issued November 6, 2003, maturing in various annual installments through July 15, 2023, interest payable semi-annually at rates from 3.10% to 5.35%	335,000
$8,950,000, 2004B Series, issued November 10, 2004, maturing in various annual installments through July 15, 2024, interest payable semi-annually at rates from 4.10% to 5.60%	890,000
$7,380,000, 2005A Series, issued November 10, 2005, maturing in various annual installments through July 15, 2025, interest payable semi-annually at rates from 4.10% to 5.60%	1,095,000
$15,020,000, 2006B Series, issued November 9, 2006, maturing in various annual installments through July 15, 2026, interest payable semi-annually at rates from 4.34% to 5.10%	3,000,000
$11,325,000, 2007A Series, issued November 8, 2007, maturing in various annual installments through July 15, 2027, interest payable semi-annually at 5.10%	2,825,000

(Continued)

Note 8. Long-Term Obligations (Continued)

Primary Government (Continued)

Details of general long-term obligations: (Continued)

	Amount Outstanding
General Obligation School Bonds: (Continued)	
Direct Borrowings and Direct Placements: (Continued)	
$28,045,000, 2008A Series, issued December 11, 2008, maturing in various annual installments through July 15, 2028, interest payable semi-annually at 4.66%	$ 8,400,000
$7,670,000, 2010D Series, issued November 10, 2010, maturing in various annual installments through July 15, 2030, interest payable semi-annually at 2.867%	3,050,000
Total general obligation school bonds	44,385,000
Compensated absences	6,154,644
Claims payable	3,923,586
Unamortized bond premiums	15,849,965
Total long-term obligations	$ 189,618,196

The County is in compliance with federal arbitrage regulations. Any potential liabilities arising from arbitrage are estimated to be immaterial in relation to the financial statements.

(Continued)

Note 8. Long-Term Obligations (Continued)

Component Unit—School Board:

The following is a summary of long-term obligation transactions of the School Board for the year ended June 30, 2023.

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Compensated absences	$ 4,771,476	$ 637,944	$ -	$ 5,409,420	$ 540,942
School Energy Improvement Loan	5,817,642	-	658,354	5,159,288	680,412
Lease liabilities	1,745,811	-	517,735	1,228,076	562,436
Total	$ 12,334,929	$ 637,944	$ 1,176,089	$ 11,796,784	$ 1,783,790
Reconciliation to Exhibit 1:					
Long-term liabilities due within one year				$ 1,783,790	
Long-term liabilities due in more than one year				10,012,994	
Total long-term debt				$ 11,796,784	

School fund revenues and appropriations from the General Fund are used to pay for its compensated absences.

Annual requirements to amortize the energy improvements lease are as follows:

Year Ending June 30,	School Energy Improvement Loan Principal	School Energy Improvement Loan Interest	Lease Liabilities Principal	Lease Liabilities Interest
2024	$ 680,412	$ 169,149	$ 562,436	$ 48,665
2025	703,003	144,871	613,008	19,402
2026	726,140	119,790	52,632	219
2027	749,834	93,886	-	-
2028	774,098	67,141	-	-
2029	766,761	40,099	-	-
2030	759,040	13,321	-	-
	$ 5,159,288	$ 648,257	$ 1,228,076	$ 68,286

Note 8. Long-Term Obligations (Continued)

Component Unit—School Board: (Continued)

Details of Long-term obligations are as follows:

	Amount Outstanding
School Energy Improvement Loan	
$7,821,492, School Energy Improvement Lease, issued September 28, 2017, maturing in various annual installments through August 15, 2009, interest payable semi-annually at 3.510%	$ 5,159,288
Lease liabilities	1,228,076
Compensated absences	5,409,420
Total long-term obligations	$ 11,796,784

Note 9. Unearned and Deferred/Unavailable Revenue

The following is a summary of unearned revenue for the year ended June 30, 2023.

Deferred revenue /unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

	Government-Wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Deferred/Unavailable revenue:		
Unearned revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	$ -	$ 8,077,036
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year	3,816,693	3,816,693
Total deferred/unavailable revenue	$ 3,816,693	$ 11,893,729

(Continued)

Note 10. Commitments and Contingencies

Primary Government and Component Unit School Board:

A. Federal programs in which the County and School Board participate were audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

B. The County is a defendant in various lawsuits. Although the outcomes are not presently determinable, in the Opinion of the County's counsel, the resolution of these matters will not have a material adverse effect on its' financial condition. All matters have been referred to the County's insurance carriers which are handling the matters.

C. There are a number of other ongoing capital projects that have been approved and for which funds have been designated to finance them.

(Continued)

Note 11. Part-Time Employee Pension Plan

The County contributes to the County of Albemarle Pension Plan for Permanent Part-time Employees, a defined contribution plan for its permanent part-time employees. Under the terms of the plan administered by Retirement Plan Administrative Services, Ltd., employees are eligible to participate following five years of service. Between five and ten years of service, participants receive a contribution of five percent (5%) of covered payroll. Between ten and fifteen years of service, participants receive a contribution of seven percent (7%) of covered payroll. Between fifteen and twenty years of service, participants receive a contribution of nine percent (9%) of covered payroll. Participants with over twenty (20) years of service receive a contribution of eleven percent (11%) of covered payroll.

The County Board of Supervisors and the School Board are responsible for establishing the plan's provisions, as well as all amendments each year as part of the budgetary process. They also provide all contributions to the plan (the employee makes no contributions to the plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The County and School Board's contributions to the plan for fiscal year 2023 were \$30,509 and \$151,895, respectively. The average payroll for covered County employees was \$431,254 and \$2,418,197 for School Board employees, respectively. The contribution averaged 7.07% and 6.28% of the covered payrolls of the County and School Board, respectively. The County and School Board had no investments with the plan at any time during the year.

Note 12. Annexation and Revenue Sharing Agreement

An Annexation and Revenue Sharing Agreement dated February 17, 1982, between the County and the City of Charlottesville, Virginia was approved in a public referendum on May 18, 1982. The agreement requires the County and City annually to contribute portions of their respective real property tax bases and revenues to a Revenue and Economic Growth Sharing Fund. Distribution of the fund and the resulting net transfer of funds shall be made on each January 31 while this agreement remains in effect.

During the time this agreement is in effect, the City will not initiate any annexation procedures against the County. Also, pursuant to this agreement, a committee was created to study the desirability of combining the governments and the services presently provided by them.

This agreement became effective July 1, 1982, and remains in effect until:

1. The County and City are consolidated into a single political subdivision, or

2. The concept for independent cities presently existing in Virginia is altered by State law in such a manner that real property in the City becomes a part of the County's tax base, or

3. The County and City mutually agree to cancel or change the agreement.

During the fiscal year, the County paid \$15,545,227 to the City as a result of this agreement. Amounts to be paid pursuant to this agreement are to be funded from revenues of the fiscal year in which paid.

(Continued)

Note 13. Defined Benefit Pension Plan

Plan Description

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

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

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
- https://www.varetirement.org/hybrid.html.

Employees Covered by Benefit Terms

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	County	School Non-Professional
Inactive members or their beneficiaries currently receiving benefits	529	227
Inactive members:		
Vested inactive members	128	44
Non-vested inactive members	183	173
Inactive members active elsewhere in VRS	232	123
Total inactive members	543	340
Active members	741	331
Total covered employees	1,813	898

Note 13. Defined Benefit Pension Plan (Continued)

Contributions

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2023, was 15.42% of covered employee compensation. The School Board Non-Professional Employee Plan's contractually required rate for the year ended June 30, 2023, was 3.91%. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

These rates, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were $8,281,606 and $6,688,051 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the pension plan from the School Board Non-Professional Employee Plan were $337,819 and $375,379 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total pension liability for General Employees, Public Safety employees with Hazardous Duty Benefits, and the VRS Teacher Retirement Plan in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Note 13. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Teacher Cost Sharing Plan – Salary increases, including inflation	3.50 – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

(Continued)

Note 13. Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
	Inflation		2.50 %
*Expected arithmetic nominal return			7.83 %

* The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Note 13. Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability - County

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2021	$ 227,377,213	$ 205,419,103	$ 21,958,110
Changes for the year:			
Service cost	5,835,774	-	5,835,774
Interest	15,212,014	-	15,212,014
Benefit changes	-	-	-
Differences between expected and actual experience	(6,470,512)	-	(6,470,512)
Assumption changes	-	-	-
Contributions – employer	-	6,610,029	(6,610,029)
Contributions – employee	-	2,333,267	(2,333,267)
Net investment income	-	(239,503)	239,503
Benefit payments, including refunds of employee contributions	(10,860,958)	(10,860,958)	-
Administrative expenses	-	(125,492)	125,492
Other changes	-	238,361	(238,361)
Net changes	3,716,318	(2,044,296)	5,760,614
Balances at June 30, 2022	$ 231,093,531	$ 203,374,807	$ 27,718,724

(Continued)

Note 13. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Asset) – School Board Non-Professional Employee Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2021	$ 34,050,626	$ 38,131,870	$ (4,081,244)
Changes for the year:			
Service cost	734,019	-	734,019
Interest	2,287,974	-	2,287,974
Benefit changes	-	-	-
Differences between expected and actual experience	(750,312)	-	(750,312)
Assumption changes	-	-	-
Contributions – employer	-	369,524	(369,524)
Contributions – employee	-	525,327	(525,327)
Net investment income	-	(32,914)	32,914
Benefit payments, including refunds of employee contributions	(1,777,461)	(1,777,461)	-
Administrative expenses	-	(23,794)	23,794
Other changes	-	874	(874)
Net changes	494,220	(938,444)	1,432,664
Balances at June 30, 2022	$ 34,544,846	$ 37,193,426	$ (2,648,580)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's net pension liability	$ 59,339,334	$ 27,718,724	$ 1,931,391
School Board Non-Professional Employee Plan's net pension liability (asset)	$ 1,628,692	$ (2,648,580)	$ (6,144,683)

Note 13. Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2023, the County recognized pension expense of $5,966,481. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,106,438	$ 5,991,351
Change in assumptions	4,301,904	-
Net difference between projected and actual earnings on pension plan investments	-	5,625,389
Employer contributions subsequent to the measurement date	8,281,606	-
Total	$ 13,689,948	$ 11,616,740

The $8,281,606 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2024	$ (1,133,694)
2025	(2,838,108)
2026	(5,014,389)
2027	2,777,793
2028	-
Thereafter	-

Note 13. Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2023, the School Board Non-Professional Employee Plan recognized pension expense of $(529,611). At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 558,805
Change in assumptions	222,171	-
Net difference between projected and actual earnings on pension plan investments	-	1,094,075
Employer contributions subsequent to the measurement date	337,819	-
Total	$ 559,990	$ 1,652,880

The $337,819 reported as deferred outflows of resources related to pensions resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2024	$ (618,851)
2025	(587,357)
2026	(739,750)
2027	515,249
2028	-
Thereafter	-

(Continued)

Note 13. Defined Benefit Pension Plan (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 14. Defined Benefit Pension Plan – Teacher Cost Sharing Plan

General Information about the Teacher Cost Sharing Plan

Plan Description

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

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note 13.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2023, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were $19,353,135 and $17,910,347 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $442.4 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

Note 14. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

At June 30, 2023, the school division reported a liability of $114,782,242 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 1.2056% as compared to 1.1334% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of $7,841,035 Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022, measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 7,914,689
Change in assumptions	10,821,653	-
Net difference between projected and actual earnings on pension plan investments	-	14,965,201
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,206,204	2,445,313
Employer contributions subsequent to the measurement date	19,353,135	-
Total	$ 38,380,992	$ 25,325,203

Note 14. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

General Information about the Teacher Cost Sharing Plan (Continued)

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

The $19,353,135 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the Fiscal Year ending June 30, 2024, Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2024	$ (1,950,584)
2025	(3,778,993)
2026	(8,919,844)
2027	8,352,075)
2028	-
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	$ 54,732,329
Plan Fiduciary Net Position	45,211,731
Employers' Net Pension Liability (Asset)	$ 9,520,598
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%

Note 14. Defined Benefit Pension Plan – Teacher Cost Sharing Plan (Continued)

Net Pension Liability (Continued)

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	$ 205,009,870	$ 114,782,242	$ 41,317,110

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 15. Aggregate Pension Information

VRS Pension Plans

	Deferred Outflows	Deferred Inflows	Net Pension Liability/ (Asset)	Pension Expense/ Income
Primary Government	$ 13,689,948	$ 11,616,740	$ 27,718,724	$ 5,966,481
Component Unit School Board:				
Non-Professional	$ 559,990	$ 1,652,880	$ (2,648,580)	$ (529,611)
Professional	38,380,992	25,325,203	114,782,242	7,841,035
	$ 38,940,982	$ 26,978,083	$ 112,133,662	$ 7,311,424

(Continued)

Note 16. Other Postemployment Benefits Liability – Local Plan

Plan Description

The County of Albemarle administers a cost-sharing defined benefit healthcare plan (VERIP). Participating employers include the County, the School Board, the Charlottesville-UVA-Albemarle Emergency Communications Center, the Blue Ridge Juvenile Detention Commission, Darden Towe Memorial Park, Charlottesville Albemarle Convention and Visitors Bureau, and Charlottesville-Albemarle Vocational Technical Education Center. VERIP benefits are paid monthly for a period of five years or until age 65, whichever comes first. In addition to the monthly stipend, the County will pay an amount equivalent to the Board's annual contribution toward medical insurance. Participants may accept it as a cash payment or apply it toward the cost of the continuation of their County medical/dental benefits. To be eligible, employees must meet the age and service criteria for reduced VRS retirement and be a current employee at least 50 years of age and have been employed by the County in a benefits-eligible position for 10 of the last 13 years prior to retirement. The plan is administered by the County and does not have a separate financial report.

The plan does not issue a publicly-available financial report.

Benefits Provided

Postemployment benefits that are provided to eligible retirees include Medical, Dental, and Life Insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses, and dependents of eligible retirees. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

Plan Membership

At June 30, 2022 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	3,429
Total retirees with VERIP	269
Total retirees with County Medical coverage	110
Total	3,808

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board of Supervisors.

(Continued)

Note 16. Other Postemployment Benefits Liability – Local Plan (Continued)

Total and net OPEB Liability

At June 30, 2023, the County and School Board reported liabilities of $11,316,457 and $25,905,546, respectively for their proportionate shares of the collective net OPEB liability. The collective net OPEB liability was measured as of September 1, 2022, and rolled back to June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of the same date. The County and School Board's proportion of the collective net OPEB liability was calculated based on each participating employer's actuarial accrued liabilities. At June 30, 2023, the County and School Board's proportion was 29.40% and 67.31% respectively.

	County	School Board	Other Employers	Total
Total OPEB liability	$ 11,316,457	$ 25,905,546	$ 1,264,917	$ 38,486,920
Plan fiduciary net position	-	-	-	-
Employers' net OPEB liability	$ 11,316,457	$ 25,905,546	$ 1,264,917	$ 38,486,920
Plan fiduciary net position as a percentage of total OPEB liability	100%	100%	100%	100%

Changes in Net OPEB Liability – Entire Plan

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2021	$ 44,334,975	$ -	$ 44,334,975
Changes for the year:			
Service cost	3,592,533	-	3,592,533
Interest	819,469	-	819,469
Changes of benefit terms	(2,428,649)	-	(2,428,649)
Experience losses (gains)	(2,376,537)	-	(2,376,537)
Contributions – employer	-	932,039	(932,039)
Net investment income	-	-	-
Changes in assumptions	(4,522,832)	-	(4,522,832)
Benefit payments	(932,039)	(932,039)	-
Net changes	(5,848,055)	-	(5,848,055)
Balances at June 30, 2022	$ 38,486,920	$ -	$ 38,486,920

(Continued)

Note 16. Other Postemployment Benefits Liability – Local Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the September 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount Rate	1.92%

Mortality rates for Active employees and healthy retirees were based on a RP-2000 Fully Generational Combined Healthy table while mortality rates for disabled retirees were based on a RP-2000 Disabled Mortality Table.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Discount Rate

The final equivalent single discount rate for this year's valuation is 3.69% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

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

The following amounts present the total and net OPEB liabilities of the County and School Board, as well as what the total and net OPEB liabilities would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) that the current discount rate:

	1.00% Decrease (2.69%)	Current Discount Rate (3.69%)	1.00% Increase (4.69%)
Net OPEB liability:			
County	$ 11,996,807	$ 11,316,457	$ 10,719,225
School Board	27,462,996	25,905,546	24,538,367
Other Employers	1,340,965	1,264,917	1,198,161
Total	$ 40,800,768	$ 38,486,920	$ 36,455,753

(Continued)

Note 16. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The following presents the total and net OPEB liabilities of the County and School Board, as well as what the total and net OPEB liabilities would be if it were calculated using the healthcare cost trend rates that are one percentage point lower (2.94%) or one percentage point higher (4.94%) than the current healthcare cost trend rates:

	1.00% Decrease (2.94%)	Current Discount Rate (3.94%)	1.00% Increase (4.94%)
Net OPEB liability:			
County	$ 10,375,442	$ 11,316,457	$ 12,448,769
School Board	23,751,381	25,905,546	28,497,626
Other Employers	1,159,733	1,264,917	1,391,483
Total	$ 35,286,556	$ 38,486,920	$ 42,337,878

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources

For the year ended June 30, 2023, the County and School Board recognized OPEB expense/(income) in the amount of $(93,129) and $301,167, respectively. At June 30, 2023, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OEPB from the following sources:

	County		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 374,267	$ 970,795	$ 856,765	$ 2,222,336
Changes in proportion	514,533	401,903	2,463,982	-
Changes in assumptions	336,702	2,298,290	770,776	5,261,230
Total	$ 1,225,502	$ 3,670,988	$ 4,091,523	$ 7,483,566

(Continued)

Note 16. Other Postemployment Benefits Liability – Local Plan

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follow:

Year Ended June 30,	(Decrease) to OPEB Expense County	School Board
2024	$ (676,303)	$ (1,033,830)
2025	(591,549)	(839,821)
2026	(544,555)	(732,238)
2027	(397,877)	(396,485)
2028	(235,202)	(389,669)
Thereafter	-	-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes of the financial statements.

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans

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

Plan Descriptions

Group Life Insurance Program

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

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

Specific information for the GLI is available at https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp

Teacher Employee Health Insurance Credit Program

All full-time, salaried permanent (professional) employees of publicschool divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Specific information about the Teacher HIC is available at
https://www.varetire.org/retirees/insurance/healthinscredit/index.asp

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple-employer, cost-sharing plans.

(Continued)

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Plan Descriptions (Continued)

General Employee Health Insurance Credit Program

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

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	80
Inactive members:	
Vested inactive members	7
Active members	331
Total covered employees	418

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

General Employee Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.46% of covered employee compensation.
June 30, 2023 Contribution	$55,689
June 30, 2022 Contribution	$49,863

(Continued)

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.

	County	School Board Non-Professional	School Board Professional
June 30, 2023 Contribution	$304,410	$65,374	$661,637
June 30, 2022 Contribution	$267,333	$59,835	$606,509

In June 2022, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

Teacher Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2023 Contribution	$1,482,414
June 30, 2022 Contribution	$1,358,805

In June 2022, the Commonwealth made a special contribution of approximately $12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program

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

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (a) – (b)**
Balances at June 30, 2021	$ 494,850	$ 47,602	$ 447,248
Changes for the year:			
Service cost	7,058	-	7,058
Interest	33,487	-	33,487
Benefit changes	-	-	-
Differences between expected and actual experience	(6,215)	-	(6,215)
Assumption changes	147,240	-	147,240
Contributions – employer	-	49,862	(49,862)
Net investment income	-	(891)	891
Benefit payments	(11,620)	(11,620)	-
Administrative expenses	-	(157)	157
Other changes	-	1,606	(1,606)
Net changes	169,950	38,800	131,150
Balances at June 30, 2022	$ 664,800	$ 86,402	$ 578,398

In addition, for the year ended June 30, 2022, the School Board recognized OPEB expense of $64,841 related to the General Employee Health Insurance Credit Program.

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

At June 30, 2023, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Teacher HIC Program		
Differences between expected and actual experience	$ -	$ 613,447
Net difference between projected and actual earnings on GLI OPEB program investments	-	15,106
Change in assumptions	439,677	38,432
Changes in proportion	998,302	263,030
Employer contributions subsequent to the measurement date	1,482,414	-
Total Component Unit School Board (professional)	$ 2,920,393	$ 930,015
General Employee HIC Program (nonprofessional)		
Differences between expected and actual experience	$ -	$ 5,016
Net difference between projected and actual earnings on GLI OPEB program investments	2,224	-
Change in assumptions	127,252	-
Changes in proportion	-	-
Employer contributions subsequent to the measurement date	55,689	-
Total Component Unit School Board (nonprofessional)	$ 185,165	$ 5,016

(Continued)

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
GLI Program – County		
Differences between expected and actual experience	$ 214,699	$ 108,770
Net difference between projected and actual earnings on GLI OPEB program investments	-	169,415
Change in assumptions	101,126	264,090
Changes in proportion	193,829	1,229
Employer contributions subsequent to the measurement date	304,410	-
Total Primary Government	$ 814,064	$ 543,504
GLI Program – School Board (nonprofessional)		
Differences between expected and actual experience	$ 48,571	$ 24,607
Net difference between projected and actual earnings on GLI OPEB program investments	-	38,326
Change in assumptions	22,878	59,744
Changes in proportion	149,308	25,784
Employer contributions subsequent to the measurement date	65,374	-
Total Component Unit School Board (nonprofessional)	$ 286,131	$ 148,461
GLI Program – School Board (professional)		
Differences between expected and actual experience	$ 492,326	$ 249,420
Net difference between projected and actual earnings On GLI OPEB program investments	-	388,485
Change in assumptions	231,893	605,583
Changes in proportion	440,464	93,982
Employer contributions subsequent to the measurement date	661,637	-
Total Component Unit School Board (professional)	$ 1,826,320	$ 1,337,470

(Continued)

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

The net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net OPEB liabilities, except for LODA, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

	County	School Board Non-Professional	School Board Professional
June 30, 2023 proportionate share of liability	$2,711,278	$613,367	$6,217,231
June 30, 2022 proportion	0.2252%	0.0509%	0.5163%
June 30, 2021 proportion	0.2348%	0.0461%	0.4864%
June 30, 2023 expense	$149,908	$75,340	$763,675

Teacher Health Insurance Credit Program

June 30, 2023 proportionate share of liability	$15,049,637
June 30, 2022 proportion	1.2049%
June 30, 2021 proportion	1.1355%
June 30, 2023 expense	$1,339,149

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

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

The deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program

	Increase/(Reduction) to OPEB Expense		
	County	School Board Non-Professional	School Board Professional
2024	$ 16,838	$ 25,225	$ (15,280)
2025:	12,837	23,352	(18,678)
2025	(98,132)	1,231	(254,767)
2026	42,182	15,770	93,068
2027	(7,575)	6,718	22,870
Thereafter	-	-	-

School Board Health Insurance Credit Programs

	Increase to OPEB Expense	
	General Employee	Teacher
2024	$ 30,298	$ 90,481
2025	30,298	97,530
2025	30,300	93,975
2026	28,664	109,597
2027	4,900	32,852
Thereafter	-	83,529

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation*	GLI & HIC: 6.75%;

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 13.

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	$ 3,672,085	$ 1,470,891
Plan fiduciary net position	2,467,989	221,845
Employers' net OPEB liability (asset)	$ 1,204,096	$ 1,249,046
Plan fiduciary net position as a percentage of total OPEB liability	67.21%	15.08%

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities (Continued)

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

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
Inflation		2.50 %	
*Expected arithmetic nominal return		7.83 %	

* The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

Note 17. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liabilities:			
County	$ 3,945,228	$ 2,711,278	$ 1,714,079
School Nonprofessional	892,520	613,367	387,772
School Professional	9,046,800	6,217,231	3,930,553
Teacher HIC Net OPEB liability	$ 16,961,113	$ 15,049,637	$ 13,429,326
General Employee HIC Net OPEB liability - Schools	$ 641,372	$ 578,398	$ 524,684

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 18. Summary of Other Postemployment Benefits

	Deferred Outflows of Resources	Net OPEB Liability	Deferred Inflows of Resources	OPEB Expense/ (Income)
County OPEB:				
Local Plan	$ 1,225,502	$ 11,316,457	$ 3,670,988	$ (93,129)
GLI	814,064	2,711,278	543,504	149,908
	$ 2,039,566	$ 14,027,735	$ 4,214,492	$ 56,779
Schools OPEB:				
Local Plan	$ 4,091,523	$ 25,905,546	$ 7,483,566	$ 301,167
Non Professional - GLI	286,131	613,367	148,461	75,340
Professional – GLI	1,826,320	6,217,231	1,337,470	763,675
Non Professional – HIC	185,165	578,398	5,016	64,841
Professional – HIC	2,920,393	15,049,637	930,015	1,339,149
	$ 9,309,532	$ 48,364,179	$ 9,904,528	$ 2,544,172

Note 19. Legal Compliance

A. Expenditures in Excess of Appropriations

Expenditures did not exceed appropriations in any fund at June 30, 2023.

B. Fund Deficits

There are no funds with deficit balances at June 30, 2023.

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Note 20. Self-Insurance/Risk Management

The County administers employee health, dental, and unemployment insurance programs. The health and dental insurance activity has accounting in an internal service fund. Unemployment programs have accounting in the General and School funds.

Employee Health Insurance:

Albemarle County, Albemarle County School Board, Albemarle County Water and Sewer Authority, and several other entities established a public entity risk pool to provide consolidated health care benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed. The participating agencies have established a reserve fund to meet any potential liability. Each participating agency is responsible for paying amounts billed by the County.

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors.

Changes in the balances of claim liabilities during the current and preceding two years:

Fiscal Year	Claims Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims and Other Payments	Claims Liability End of Year
2023	$ 3,305,922	$ 40,895,816	$ 40,422,710	$ 3,779,028
2022	2,832,647	36,554,872	36,081,597	3,305,922
2021	3,734,552	30,567,865	31,469,770	2,832,647

The following is a summary of revenues and claims expenses for the current and preceding nine years. The pool was formed in fiscal year 1995.

Fiscal Year	Operating Revenue	Non-operating Revenue	Claims and Related Expenses
2023	$ 34,449,799	$ 314,197	$ 40,422,710
2022	31,209,382	52,902	36,081,597
2021	31,079,990	66,029	31,469,770
2020	31,459,259	297,421	32,204,289
2019	31,577,304	416,668	30,654,062
2018	28,309,690	173,258	25,682,418
2017	35,140,020	45,957	29,516,282
2016	31,676,132	20,139	30,859,391
2015	28,808,326	18,766	31,858,143
2014	26,332,765	5,902	30,274,322

Note 20. Self-Insurance/Risk Management (Continued)

Employee Dental Insurance:

Albemarle County, Albemarle County School Board, Albemarle County Water and Sewer Authority, and several other entities established a public entity risk pool to provide consolidated Dental Care benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed. The participating agencies have established a reserve fund to meet any potential liability. Each participating agency is responsible for paying amounts billed by the County.

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors.

Changes in the balances of claim liabilities during the current and preceding two years

Fiscal Year	Claims Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims and Other Payments	Claims Liability End of Year
2023	$ 135,000	$ 1,785,767	$ 1,776,209	$ 144,558
2022	125,418	1,689,686	1,680,104	135,000
2021	123,202	1,809,993	1,807,777	125,418

The following is a summary of revenues and claims expenses for the pool.

Fiscal Year	Operating Revenue	Non-operating Revenue	Claims and Related Expenses
2023	$ 1,750,723	$ 66,892	$ 1,776,209
2022	1,689,686	7,307	1,680,104
2021	1,809,993	6,712	1,807,777
2020	1,812,472	22,875	1,366,975
2019	1,741,854	25,482	1,496,085
2018	1,713,770	8,851	1,577,496
2017	1,685,979	2,869	1,719,941
2016	1,672,045	1,847	1,548,721
2015	1,508,742	1,126	1,619,940
2014	784,539	512	1,516,325

Unemployment Insurance:

The County and School Board are responsible for employment claims. The Virginia Employment Commission bills the County for all unemployment claims. The liability for billed but unpaid claims has been accrued in the General and School Funds. No liability has been recorded for estimated unreported claims. The amount of estimated unreported claims is not expected to be significant.

Note 20. Self-Insurance/Risk Management (Continued)

Property and Casualty Insurance:

The County contracts with the Virginia Association of Counties Group Self-Insurance Risk Pool (VACORP) and the School Board contracts with School Systems of Virginia to provide workers compensation insurance coverage. In the event of a loss deficit and depletion of all assets and available insurance of the Pools, the Pools may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The School Board contracts with private insurance carriers for property damage, employee crime and dishonesty and general liability coverage. The property coverage value amounts are for specific amounts based on values assigned to the insured properties. Liability coverage is $13,000,000.

The County contracts with the Virginia Association of Counties for property, employee crime and dishonesty, general liability, public officials, and law enforcement liability coverage. This program is similar to the Virginia Municipal Group Self-Insurance Association as described above. Liability coverage ranges from $3,000,000 to $4,000,000 .

Other:

The County has had no reductions in insurance coverage or settlements in excess of insurance coverage for the past three fiscal years.

Note 21. Surety Bonds

The following County positions are covered by surety bonds in the following amounts:

Virginia Department of Risk Management:	
Clerk of the Circuit Court	$ 3,000,000
Chief Financial Officer	1,000,000
Sheriff	30,000
Commissioner of Revenue	3,000

(Continued)

Note 22. Accrued Landfill Costs

In 1991, the County transferred its share of the joint City-County landfill operations and the related assets and liabilities (including post-closure care and corrective account costs) to the Rivanna Solid Waste Authority. During the fiscal year ended June 30, 2005, the City and County entered in a Cost Sharing Agreement for purposes of paying any of the post-closure care and corrective action costs that the Rivanna Solid Waste Authority may not have the financial resources to pay. Although the County has entered into a Local Government Guarantee on behalf of the Rivanna Solid Waste Authority, the Virginia Department of Environmental Quality has no legal recourse against the County under this guarantee. The Rivanna Solid Waste Authority has the taxing authority to levy a utility tax on each parcel of real estate in the City and County to generate revenue to pay the post-closure care and corrective actions costs.

The County's percentage of shared costs pursuant to the Agreement is 64.5%. The estimated share of the County's post-closure care and corrective action costs is $3,066,618. During the fiscal year ended June 30, 2023, the County paid $2,083,368 to the Rivanna Solid Waste Authority under the terms and contributions of the Cost Sharing Agreement.

Note 23. Construction and Other Commitments

At June 30, 2023, the County has several construction contracts and other commitments which are summarized as follows:

Project Name	Contract Amount	Expended To Date	Balance
Community Center	$ 1,905,645	$ 548,549	$ 1,357,096
Park Improvements	1,235,768	961,437	274,331
Court facilities	6,523,752	927,254	5,596,498
Sidewalk Improvements	9,681,369	8,684,989	996,380
Other projects	2,112,935	1,693,794	419,141
School building and property improvements	34,685,035	27,198,154	7,486,881
Total	$ 56,144,504	$ 40,014,177	$ 16,130,327

Note 24. Leases

Lessee

The School Board entered into a leasing arrangement on May 10, 2018, with Seminole Trail Properties, LLC to lease 42,274 square feet of office and other space for seven years with a commencement date of August 1, 2018, through July 31, 2025. Per the agreement, monthly lease payments are $44,035 during the first year, $45,356 during the second year, $46,717 during the third year, $48,119 during the fourth year, $49,562 during the fifth year, $51,049 during the sixth year, and $52,581 during the seventh year.

The County has elected to use their incremental borrowing rate of 5% as the implicit interest rate which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of June 30, 2023. As of June 30, 2023, the lease liability was $1,228,076 and the right to use asset balance was $1,133,434.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30	Principal	Interest
2024	$ 562,436	$ 48,665
2025	613,008	19,402
2026	52,632	219
	$ 1,228,076	$ 68,286

Lessor

Crozet Library

On May 17, 2021, the County entered into an agreement with Crozet Sports Community Foundation, Inc. for the use of a section of the Crozet Library building starting on June 1, 2021, ("effective date") with a term ending on the fifth anniversary of the effective date. During the first year of the lease, the annual lease amount is $33,397, payable in equal monthly installments on the first day of each month. After the first year of the lease, the lease amount for subsequent years of the term of the lease shall be indexed for inflation and shall by calculated by first establishing a fraction, the numerator of which shall be the level of CPI Index as of the first day of that month which is two months before the month in which the effective date occurs in the subsequent years, and the denominator of which shall be the level of the CPI index of the first day of that month which is two months before the initial effective date. The resulting fraction multiplied by the rent agreed upon for the first year of the term of the lease.

The County implemented GASBS No. 87 for the year ended June 30, 2022, and used the original annual lease amount to measure the lease receivable and deferred inflows of resources of $147,477 as of July 1, 2021. In addition, the lease receivable was discounted to a net present value at July 1, 2021, using a 5.0% interest rate, the incremental borrowing rate utilized by the County during the year ended June 30, 2022.

As of June 30, 2023, the lease receivable balance was $90,463. For the year ended June 30, 2023, the County recognized $28,107 in lease revenue and $5,290 in lease interest revenue.

Note 24. Leases (Continued)

Lessor (Continued)

Tower and Ground Space

During 2018, the County entered into an agreement with USCOC of Virginia RSA #3, Inc. for tower and ground space starting on July 1, 2018, and ending on June 30, 2023. On October 22, 2020, the County extended the terms through June 30, 2028. Payment is due annually on July 1st of each year. Original annual payment was $32,508 with annual increase each year of 3%.

The County implemented GASBS No. 87 for the year ended June 30, 2022, and used the incremental increases of 3% each year to measure the lease receivable and deferred inflows of resources of $223,705 as of July 1, 2021. In addition, the lease receivable was discounted to a net present value at July 1, 2021, using a 5.0% interest rate, the incremental borrowing rate utilized by the County during the year ended June 30, 2022.

As of June 30, 2023, the lease receivable balance was $172,749. For the year ended June 30, 2023, the County recognized $31,958 in lease revenue and $9,968 in lease interest revenue.

Future payments due to the County under non-cancelable agreements are as follows for the year ended June 30:

Year Ending June 30	Principal	Interest
2024	$ 58,593	$ 13,811
2025	62,688	9,526
2026	64,240	6,355
2027	37,296	3,885
2028	40,395	2,020
Total	$ 263,212	$ 35,597

Note 25. Prior Period Restatement

The following is a summary of the restatement due to the inclusion of Blue Ridge Juvenile Detention Commission, Charlottesville-UVA-Albemarle ECC, Darden Towe Memorial Park, and Charlottesville Albemarle Convention and Visitors Bureau as custodial funds as the County acts as a fiduciary agent, as well as the reclassification of the payroll service fund and CATEC fund from custodial funds to internal service funds as the County provides payroll services internally or to other localities. Additionally, the Economic Development Authority was determined to be a component unit of the County. For the four new funds for which the County acts as a fiscal agent, there was no impact to government-wide net position as they are separate from government-wide reporting. The State Account Fund and Special Welfare Fund were restated for funds not included in the prior year. For the reclassification of the internal service funds, there was impact to beginning government-wide net position of $140 as these funds had not been included in government-wide net position due to their prior year presentation. The assets, liabilities, and resulting net position of the Economic Development Authority were not changed in the resulting presentation as a component unit.

	Custodial Funds
Net position, June 30, 2022, as previously reported	$ 6,726,970
To record beginning year net position:	
Blue Ridge Juvenile Detention Commission	6,487,653
Charlottesville-UVA-Albemarle ECC	7,751,960
Darden Towe Memorial Park	(120,997)
Charlottesville Albemarle Convention and Visitors Bureau	1,010,579
State Account Fund	14,390
Economic Development Authority	(1,039,199)
CATEC Fund	140
Net position, June 30, 2022, as restated	$ 20,831,496

Note 26. Economic Incentive Agreements

Albemarle Business Campus

In April of 2020 the County and Economic Development Authority (EDA) entered into an agreement with 5th Street Forest LLC. Per the agreement, the County will provide the EDA funding for an Enhanced Development and Primary Business Restoration Incremental Tax Grant, subject to the County's Board of Supervisors annual appropriation. The grant will total $100,000 and be funded annually based on tax payments paid on the increase in assessed value on the property, with payments continuing until $100,000 is funded to the EDA. The first payment was made in December 2022 in the amount of $1,796, with no payments made to the EDA in fiscal year 2023.

Brookdale Properties

In April of 2018 the County and EDA entered into a Performance Agreement with Brookdale Partner LP. Per the agreement, the County will provide the EDA funding for a Performance Incentive over a time period commencing with the first real estate tax bill that is based on an increased assessment of the property due to the development of the property. The Performance Incentive is based on 100% of real estate taxes paid on the assessment of property. In fiscal year 2023 the total tax rebate awarded from the County to the EDA was $60,172. This performance agreement has not ended as of June 30, 2023.

Crozet New Town

In July of 2019 the County and EDA entered into a Development Agreement with Crozet New Town Associates, LLC. Per the agreement, the County will, subject to appropriation from the Board of Supervisors, provide synthetic tax increment financing payments to the tax escrow agent defined in the agreement following completion of the project outlined in the agreement. The payments are equal to 100% of the total annual real property taxes received by the County attributable to the portion of increased value of the specific property. No payments have been awarded from the County to the EDA for this agreement in fiscal year 2023. This agreement remains active as of June 30, 2023.

CVEC Broadband

In December of 2018 the County and EDA entered into an agreement with Central Virginia Electric Cooperative (CVEC) and Central Virginia Services, Inc. (CVSI). Per the agreement, the County agrees to appropriate annually to the EDA for tax years 2019 through 2026 a sum equal to the County's public service taxes attributable to each year's construction cost of the project, not to exceed $105,000 annually and $550,000 over the life of the agreement. A total of $61,323 was awarded from the County to the EDA in fiscal year 2023 with the agreement active as of June 30, 2023.

(Continued)

Note 26. Economic Incentive Agreements (Continued)

Habitat/Southwood

In July of 2019, the County and EDA entered into an agreement with Habitat for Humanity of Greater Charlottesville, Inc, where the County and EDA will rebate up to $1,400,000 to Habitat for the equivalent of the portion of the increase in real property taxes collected through the end of the agreement. To expedite completion, the agreement stipulates that 100% of the increase in taxes are subject to rebate through the end of calendar year 2024, at which point the rebate decreases to 50% of the increase in real property taxes paid until a total period of ten years has elapsed or the total rebate has been provided. In fiscal year 2023, no rebates have been awarded as they are set to begin in fiscal year 2024. As such, this agreement remains active as of June 30, 2023.

Willow Tree

In June of 2021, the County and the EDA entered into a performance agreement with Willow Tree, Inc. Per the agreement, the County agrees to appropriate a grant to the Authority on an annual basis in the amount of 50% of the incremental tax assessments paid to the County. The rebate payments are subject to begin after award of the certificate of occupancy. The County has agreed to appropriate tax refunds on an annual basis, and in no event shall the combination of the BPOL grant and annual tax rebate grant be less or more than $100,000, regardless of the amount of business license and real property taxes paid to the County. If at the end of the agreement, the total annual sums of the BPOL tax refund grant and real property tax refund grant exceed $500,000, the County agrees to make a grant to the EDA in the amount of the difference between the total rebated tax liability and $500,000. In fiscal year 2023, the County awarded the EDA a total of $100,000. The rebate will end in fiscal year 2025, which is also when the County will award its final rebate to the EDA. As such, this agreement is active as of June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ALBEMARLE, VIRGINIA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 243,939,084	$ 251,889,505	$ 256,942,007	$ 5,052,502
Other local taxes	70,926,224	74,315,450	76,413,324	2,097,874
Permits, privilege fees, and regulatory licenses	2,315,289	2,315,289	3,333,046	1,017,757
Fines and forfeitures	342,663	342,663	418,241	75,578
Use of money and property	1,520,172	4,738,172	5,267,207	529,035
Charges for services	4,147,337	4,577,337	4,682,346	105,009
Miscellaneous	326,025	326,025	445,907	119,882
Recovered costs	935,205	1,206,516	1,745,075	538,559
Intergovernmental:				-
Contribution from School Board	45,786	45,786	7,061,582	7,015,796
Commonwealth	28,801,879	29,252,194	28,312,112	(940,082)
Federal Government	8,266,645	8,310,554	8,011,616	(298,938)
Total revenues	361,566,309	377,319,491	392,632,463	15,312,972
EXPENDITURES				
Current:				
General Government Administration				
Board of supervisors	677,617	691,672	669,623	22,049
County executive	5,962,929	8,541,548	3,995,317	4,546,231
Human resources	1,837,828	1,960,629	1,877,495	83,134
County attorney	1,536,566	1,548,142	1,452,931	95,211
Finance	8,178,898	8,386,494	7,761,283	625,211
Information technology	7,080,411	7,710,853	5,986,670	1,724,183
Voter registration	1,101,409	1,300,265	1,236,063	64,202
Other general government	40,000	65,000	63,338	1,662
Grant reserve general administration	-	78,000	18,000	60,000
Total general government administration	26,415,658	30,282,603	23,060,720	7,221,883
Judicial Administration				
Circuit court	202,983	202,983	113,265	89,718
General district court	38,400	38,400	26,032	12,368
Magistrate	5,225	5,225	4,857	368
Juvenile and domestic relations court	142,937	142,937	142,937	-
Clerk of the circuit court	1,147,800	1,437,569	1,210,625	226,944
Sheriff	3,380,457	3,577,128	3,387,873	189,255
Commonwealth attorney	2,045,415	2,064,376	2,034,953	29,423
Total judicial administration	6,963,217	7,468,618	6,920,542	548,076
Public Safety				
Police department	23,041,748	19,373,098	19,269,673	103,425
Fire and rescue services	21,619,321	19,933,656	19,354,137	579,519
Regional jail	4,132,405	4,132,405	4,132,405	-
Inspections	1,944,952	1,559,495	1,355,047	204,448
Contributions - various	4,587,753	4,587,753	4,587,474	279
Grant reserve public safety	-	322,000	264,997	57,003
Total public safety	55,326,179	49,908,407	48,963,733	944,674
Public Works				
Sanitation and waste removal	67,477	67,477	94,807	(27,330)
Contribution to RSWA	2,119,965	2,119,965	2,083,368	36,597
Maintenance of buildings and grounds	5,789,712	7,058,631	6,348,675	709,956
Grant reserve public works	750,000	-	-	-
Total public works	8,727,154	9,246,073	8,526,850	719,223

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND (Continued)
June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Health and Welfare				
Family Services	1,755,059	1,604,186	1,543,465	60,721
Contribution human development	5,517,916	5,617,916	5,608,195	9,721
Social services	16,697,025	17,079,165	15,919,967	1,159,198
Grant reserve health and welfare	6,000,000	6,430,000	5,430,000	1,000,000
Total health and welfare	29,970,000	30,731,267	28,501,627	2,229,640
Education				
Appropriation to public school system	177,264,803	178,729,369	169,090,100	9,639,269
Total education	177,264,803	178,729,369	169,090,100	9,639,269
Parks, Recreation, and Cultural				
Parks and recreation	3,743,340	3,852,953	3,807,606	45,347
Towe park	244,650	279,195	206,627	72,568
Regional library	4,966,782	4,966,782	4,928,351	38,431
Miscellaneous contributions	663,771	663,771	663,771	-
Grant reserve parks, recreation, and cultural	500,000	570,000	500,000	70,000
Total parks, recreation, and cultural	10,118,543	10,332,701	10,106,355	226,346
Community Development				
Planning and community development	6,317,003	7,450,928	6,475,184	975,744
Contributions to other agencies	3,777,654	3,802,654	3,527,654	275,000
Revenue sharing agreement - City of Charlottesville	15,545,227	15,545,227	15,545,227	-
Soil and Water Conservation District	149,128	149,128	148,198	930
Cooperative extension program	381,875	381,155	381,245	(90)
Economic development	980,597	1,050,712	961,035	89,677
Grant reserve community development	2,750,000	2,500,000	2,026,600	473,400
Total community development	29,901,484	30,879,804	29,065,143	1,814,661
Contingencies				
Total contingencies	3,784,441	1,644,549	578,652	1,065,897
Total expenditures	348,471,479	349,223,391	324,813,722	24,409,669
Excess (deficiency) of revenues over expenditures	13,094,830	28,096,100	67,818,741	39,722,641
OTHER FINANCING SOURCES (USES)				
Transfers in	26,529,229	37,936,043	3,595,490	(34,340,553)
Transfers out	(39,624,059)	(66,032,143)	(54,327,078)	11,705,065
Total other financing sources (uses)	(13,094,830)	(28,096,100)	(50,731,588)	(22,635,488)
Net change in fund balance	-	-	17,087,153	17,087,153
Fund balance, beginning of year	-	-	74,239,428	74,239,428
Fund balance, end of year	$ -	$ -	$ 91,326,581	$ 91,326,581

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with GAAP.

COUNTY OF ALBEMARLE, VIRGINIA

BUDGETARY COMPARISON SCHEDULE
FEDERAL AND STATE GRANTS FUND
June 30, 2023

	Federal and State Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 1,650	$ 1,650	$ 6,790	$ 5,140
Miscellaneous	2,000	66,820	706,913	640,093
Recovered costs	35,000	161,864	127,320	(34,544)
Intergovernmental:				-
Contribution from School Board	2,400,000	2,400,000	2,400,000	-
Revenue from the Commonwealth	7,638,722	9,050,223	8,298,185	(752,038)
Revenue from the Federal Government	4,329,533	8,120,254	6,585,418	(1,534,836)
Total revenues	14,406,905	19,800,811	18,124,626	(1,676,185)
EXPENDITURES				
Current:				
General Government Administration				
County executive	-	10,000	-	10,000
Judicial Administration				
Clerk of the circuit court	-	110,344	-	110,344
Sheriff's department	-	6,000	6,000	-
Commonwealth attorney	-	6,732	-	6,732
Total judicial administration	-	123,076	6,000	117,076
Public Safety				
Police department	963,090	1,453,236	1,404,343	48,893
Fire-Rescue	-	2,962,940	1,447,219	1,515,721
Total public safety	963,090	4,416,176	2,851,562	1,564,614
Health and Welfare				
Comprehensive Services Act programs	11,424,674	13,385,764	12,701,787	683,977
Contribution human development	-	4,883,024	1,123,491	3,759,533
Other	4,000	5,569	4,704	865
Total health and welfare	11,428,674	18,274,357	13,829,982	4,444,375
Parks and Recreation				
Parks and Recreation	-	149,528	97,865	51,663
Community Development				
Contribution	-	900,000	900,000	-
Housing programs	3,867,051	4,085,827	3,900,466	185,361
Total community development	3,867,051	4,985,827	4,800,466	185,361
Contingencies				
Total contingencies	698,410	875,563	-	875,563
Total expenditures	16,957,225	28,834,527	21,585,875	7,248,652
Excess (deficiency) of revenues over (under) expenditures	(2,550,320)	(9,033,716)	(3,461,249)	5,572,467
Other financing sources (uses):				
Transfers in	2,920,424	9,507,808	6,499,023	(3,008,785)
Transfers out	(370,104)	(474,092)	(421,890)	52,202
Total other financing sources (uses)	2,550,320	9,033,716	6,077,133	(2,956,583)
Net changes in fund balances	-	-	2,615,884	2,615,884
Fund balances at beginning of year	-	-	8,170,829	8,170,829
Fund balances at end of year	$ -	$ -	$ 10,786,713	$ 10,786,713

The Notes to Financial Statements are an integral part of this Statement.

EXHIBIT 14

COUNTY OF ALBEMARLE, VIRGINIA

BUDGETARY COMPARISON SCHEDULE
ARPA FUND
June 30, 2023

	ARPA Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance from Final Budget Positive (Negative)**
REVENUES				
Intergovernmental				
Revenue from the Federal Government	$ 12,158,944	$ 17,875,728	$ 11,019,326	$ (6,856,402)
Total revenues	12,158,944	17,875,728	11,019,326	(6,856,402)
EXPENDITURES				
Current				
General Government Administration				
County Executive	2,000,000	2,000,000	-	2,000,000
Finance	158,944	158,944	100,890	58,054
Total general government administration	2,158,944	2,158,944	100,890	2,058,054
Judicial Administration				
Sheriff's office	-	6,459	-	6,459
Public Safety				
Police department	-	5,058,608	5,037,129	21,479
Fire and rescue services	-	5,215,249	5,064,588	150,661
Total public safety	-	10,273,857	10,101,717	172,140
Health and Welfare				
Housing	-	405,119	238,756	166,363
Parks, Recreation, and Cultural				
Convention and Visitors Bureau	-	350,000	324,999	25,001
Community Development				
Broadband	-	4,455,000	145,051	4,309,949
Nondepartmental:				
Other	10,000,000	126,349	-	126,349
Total expenditures	12,158,944	17,775,728	10,911,413	6,864,315
Excess (deficiency) of revenues over (under) expenditures	-	100,000	107,913	7,913
Other financing sources (uses):				
Transfers (out)	-	(100,000)	(100,000)	-
Total other financing sources (uses)	-	(100,000)	(100,000)	-
Net changes in fund balances	-	-	7,913	7,913
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	$ -	$ -	$ 7,913	$ 7,913

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with GAAP.

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
VRS TEACHER RETIREMENT PLAN
June 30, 2023

School Division Fiscal Year Ended June 30	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	1.2056%	$ 114,782,242	$ 112,297,914	102.21%	82.61%
2022	1.1334%	87,983,840	100,425,892	87.61%	85.46%
2021	1.1640%	169,385,292	102,008,315	166.05%	71.47%
2020	1.1587%	152,492,821	97,216,833	156.86%	73.51%
2019	1.1316%	133,078,000	92,641,849	143.65%	74.81%
2018	1.1229%	138,093,000	89,432,661	154.41%	72.92%
2017	1.1247%	157,621,000	85,955,205	183.38%	68.28%
2016	1.1081%	139,474,000	82,923,869	168.20%	70.88%
2015	1.1100%	134,516,000	81,425,849	165.20%	70.88%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the school division's fiscal year.

COUNTY OF ALBEMARLE

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - PRIMARY GOVERNMENT
June 30, 2023

	Plan Year								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total Pension Liability									
Service cost	$ 5,835,774	$ 5,665,085	$ 5,491,482	$ 4,724,662	$ 4,528,764	$ 4,419,721	$ 4,494,883	$ 4,272,148	$ 4,070,336
Interest on total pension liability	15,212,014	13,899,679	12,839,484	12,231,006	11,502,085	11,040,411	10,550,955	9,852,328	9,297,560
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(6,470,512)	(2,826,104)	6,307,003	1,122,464	2,246,800	(802,381)	(512,269)	90,923	(76,865)
Changes in assumptions	-	9,433,746	-	5,765,145	-	(834,185)	(624,361)	1,975,546	-
Benefit payments	(10,860,958)	(9,432,734)	(8,440,228)	(8,264,270)	(7,464,720)	(6,991,702)	(6,842,282)	(5,578,814)	(5,152,755)
Net change in total pension liability	3,716,318	16,739,672	16,197,741	15,579,007	10,812,929	6,831,864	7,066,926	10,612,131	8,138,276
Total pension liability - beginning	227,377,213	210,637,541	194,439,800	178,860,793	168,047,864	161,216,000	154,149,074	143,536,943	135,398,667
Total pension liability - ending	231,093,531	227,377,213	210,637,541	194,439,800	178,860,793	168,047,864	161,216,000	154,149,074	143,536,943
Plan Fiduciary Net Position									
Contributions - employer	6,610,029	6,222,083	5,319,827	4,989,395	4,443,455	4,485,771	4,862,785	4,675,570	4,749,057
Contributions - employee	2,333,267	2,253,401	2,178,746	2,073,370	1,913,007	1,853,057	1,836,946	1,790,020	1,759,867
Net investment income	(239,503)	44,388,495	3,070,450	10,152,955	10,487,286	15,425,414	2,199,549	5,406,293	15,915,304
Benefit payments	(10,860,958)	(9,432,734)	(8,440,228)	(8,264,270)	(7,464,720)	(6,991,702)	(6,842,282)	(5,578,814)	(5,152,755)
Administrator charges	(125,492)	(108,208)	(102,928)	(98,875)	(89,306)	(87,835)	(76,959)	(71,997)	(83,854)
Other	238,361	219,270	(935,981)	(167,171)	757,520	971,139	(717,964)	1,868,626	(159,813)
Net change in plan fiduciary net position	(2,044,296)	43,542,307	1,089,886	8,685,404	10,047,242	15,655,844	1,262,075	8,089,698	17,027,806
Plan fiduciary net position - beginning	205,419,103	161,876,796	160,786,910	152,101,506	142,054,264	126,398,420	125,136,345	117,046,647	100,018,841
Plan fiduciary net position - ending	203,374,807	205,419,103	161,876,796	160,786,910	152,101,506	142,054,264	126,398,420	125,136,345	117,046,647
Net pension liability - ending	$ 27,718,724	$ 21,958,110	$ 48,760,745	$ 33,652,890	$ 26,759,287	$ 25,993,600	$ 34,817,580	$ 29,012,729	$ 26,490,296
Plan fiduciary net position as a percentage of total pension liability	88%	90%	77%	83%	85%	84%	78%	81%	82%
Covered payroll	$ 49,478,019	$ 46,049,559	$ 45,318,590	$ 42,229,160	$ 41,921,141	$ 39,352,233	$ 38,473,766	$ 37,323,375	$ 36,352,047
Net pension liability as a percentage of covered payroll	56%	48%	108%	80%	64%	66%	90%	78%	73%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

Exhibit 17

COUNTY OF ALBEMARLE

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - COMPONENT UNIT SCHOOL BOARD (nonprofessional)
June 30, 2023

	Plan Year 2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	$ 734,019	$ 794,724	$ 649,302	$ 591,992	$ 614,260	$ 630,798	$ 637,830	$ 794,863	$ 828,627
Interest on total pension liability	2,287,974	2,121,112	2,020,371	1,973,519	1,931,746	1,858,795	1,923,580	1,817,237	1,720,625
Difference between expected and actual experience	(750,312)	(544,047)	465,165	(53,379)	(422,954)	256,654	(2,112,662)	177,527	-
Changes in assumptions	-	1,076,677	-	822,887	-	(257,121)	-	-	-
Benefit payments	(1,777,461)	(1,643,452)	(1,641,298)	(1,552,154)	(1,500,432)	(1,393,503)	(1,355,010)	(1,185,865)	(1,152,293)
Net change in total pension liability	494,220	1,805,014	1,493,540	1,782,865	622,620	1,095,623	(906,262)	1,603,762	1,396,959
Total pension liability - beginning	34,050,626	32,245,612	30,752,072	28,969,207	28,346,587	27,250,964	28,157,226	26,553,464	25,156,505
Total pension liability - ending	34,544,846	34,050,626	32,245,612	30,752,072	28,969,207	28,346,587	27,250,964	28,157,226	26,553,464
Plan Fiduciary Net Position									
Contributions - employer	369,524	324,181	303,793	243,047	298,819	295,542	493,668	504,909	748,757
Contributions - employee	525,327	436,863	459,364	338,569	330,605	330,846	320,570	318,408	395,722
Net investment income	(32,914)	8,317,902	588,194	1,970,730	2,111,330	3,181,638	453,639	1,171,563	3,512,738
Benefit payments	(1,777,461)	(1,643,452)	(1,641,298)	(1,552,154)	(1,500,432)	(1,393,503)	(1,355,010)	(1,185,865)	(1,152,293)
Administrator charges	(23,794)	(20,973)	(20,348)	(20,044)	(18,581)	(18,741)	(16,579)	(16,163)	(18,770)
Other	874	782	(812)	(1,239)	(1,865)	(2,817)	(194)	(247)	185
Net change in plan fiduciary net position	(938,444)	7,415,303	(311,107)	978,909	1,219,876	2,392,965	(103,906)	792,605	3,486,339
Plan fiduciary net position - beginning	38,131,870	30,716,567	31,027,674	30,048,765	28,828,889	26,435,924	26,539,830	25,747,225	22,260,886
Plan fiduciary net position - ending	37,193,426	38,131,870	30,716,567	31,027,674	30,048,765	28,828,889	26,435,924	26,539,830	25,747,225
Net pension liability - ending	$ (2,648,580)	$ (4,081,244)	$ 1,529,045	$ (275,602)	$ (1,079,558)	$ (482,302)	$ 815,040	$ 1,617,396	$ 806,239
Plan fiduciary net position as a percentage of total pension liability	108%	112%	95%	101%	104%	102%	97%	94%	97%
Covered payroll	$ 11,080,576	$ 9,510,601	$ 10,016,892	$ 7,387,004	$ 7,210,978	$ 6,763,407	$ 6,439,895	$ 6,461,738	$ 7,956,214
Net pension liability as a percentage of covered payroll	-24%	-43%	15%	-4%	-15%	-7%	13%	25%	10%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 information was presented in the entity's fiscal year 2015 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

COUNTY OF ALBEMARLE

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2023

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2023	$ 8,281,606	$ 8,281,606	$ -	$ 56,273,003	14.72%
2022	6,688,051	6,688,051	-	49,478,019	13.52%
2021	6,227,157	6,227,157	-	46,049,559	13.52%
2020	5,333,508	5,333,508	-	45,318,590	11.77%
2019	4,996,779	4,996,779	-	42,229,160	11.83%
2018	4,770,361	4,770,361	-	41,921,141	11.38%
2017	4,611,455	4,611,455	-	39,352,233	11.72%
2016	5,190,111	5,190,111	-	38,473,766	13.49%
2015	5,034,924	5,034,924	-	37,323,375	13.49%
Component Unit School Board (nonprofessional)					
2023	$ 337,819	$ 337,819	$ -	$ 12,106,307	2.79%
2022	375,379	375,379	-	11,080,576	3.39%
2021	327,696	327,696	-	9,510,601	3.45%
2020	309,723	309,723	-	10,016,892	3.09%
2019	244,830	244,830	-	7,387,004	3.31%
2018	303,972	303,972	-	7,210,978	4.22%
2017	319,116	319,116	-	6,763,407	4.72%
2016	506,176	506,176	-	6,439,895	7.86%
2015	507,893	507,893	-	6,461,738	7.86%
Component Unit School Board (professional)					
2023	$ 19,353,135	$ 19,353,135	$ -	$ 122,513,538	15.80%
2022	17,910,347	17,910,347	-	112,297,914	15.95%
2021	16,033,889	16,033,889	-	100,425,892	15.97%
2020	15,466,883	15,466,883	-	102,008,315	15.16%
2019	15,441,877	15,441,877	-	97,216,833	15.88%
2018	14,568,185	14,568,185	-	92,641,849	15.73%
2017	13,110,828	13,110,828	-	89,432,661	14.66%
2016	12,085,302	12,085,302	-	85,955,205	14.06%
2015	12,023,961	12,023,961	-	82,923,869	14.50%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, only nine years of data is available. Additional years will be included as they become available.

EXHIBIT 19

COUNTY OF ALBEMARLE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL LOCAL PLAN OPEB LIABILITY AND RELATED RATIOS
June 30, 2023

	Plan Year Ended				
	2023	**2022**	**2021**	**2020**	**2019**
Local Plan - Totals for all employers					
Total OPEB Liability					
Service cost	$ 3,592,533	$ 3,779,701	$ 3,301,759	$ 3,534,456	$ 3,419,923
Interest	819,469	1,103,228	1,290,921	1,516,119	1,426,624
Changes in assumptions	(4,522,832)	(4,896,285)	2,003,951.00	(1,007,843.00)	(220,599.00)
Changes in benefit terms	(2,428,649)	-	-	-	-
Experience Losses/(Gains)	(2,376,537)	1,574,030	391,150	(2,484,008)	(898,166)
Benefit payments, net of retiree contributions	(932,039)	(3,706,437)	(3,109,894)	(2,173,452)	(1,618,253)
Net change in total OPEB liability	(5,848,055)	(2,145,763)	3,877,887	(614,728)	2,109,529
Total OPEB liability - beginning	44,334,975	46,480,738	42,602,851	43,217,579	41,108,050
Total OPEB liability - ending	$ 38,486,920	$ 44,334,975	$ 46,480,738	$ 42,602,851	$ 43,217,579
Covered-employee payroll	n/a	n/a	n/a	n/a	n/a
County’s total OPEB liability (asset) as a percentage of covered-employee payroll	n/a	n/a	n/a	n/a	n/a

COUNTY OF ALBEMARLE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY AND SCHOOL BOARD'S SHARE OF NET OPEB LIABILITY- LOCAL PLAN
June 30, 2023

Date	Employer's Proportion of the Net OPEB Liability (Asset)	Total OPEB Liability	Employer's Proportionate Share of the Net OPEB Liability	Covered Employee Payroll
Primary Government				
2023	$ 11,316,457	$ 38,486,920	29.40%	n/a
2022	12,622,167	44,334,975	28.47%	n/a
2021	13,818,723	46,480,738	29.73%	n/a
2020	12,665,828	42,602,851	29.73%	n/a
2019	11,611,987	43,217,579	26.87%	n/a
Component Unit School Board				
2023	$ 25,905,546	$ 38,486,920	67.31%	n/a
2022	28,292,826	44,334,975	63.82%	n/a
2021	25,932,355	46,480,738	55.79%	n/a
2020	27,380,505	42,602,851	64.27%	n/a
2019	27,380,505	43,217,579	63.36%	n/a

Schedule is intended to show information for 10 years. Information prior to the 2019 is not available. However, additional years will be included as they become available.

COUNTY OF ALBEMARLE, VIRGINIA

REQUIRED SUPPLEMEMENTAL INFORMATION
SCHEDULE OF COUNTY AND SCHOOL BOARD'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE (GLI) PLAN
June 30, 2023

Plan Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Primary Government					
2022	0.2252%	$ 2,711,278	$ 49,506,198	5.48%	67.21%
2021	0.2348%	2,596,773	46,049,559	5.64%	67.45%
2020	0.2317%	3,674,833	45,299,516	8.11%	52.64%
2019	0.2268%	3,506,896	42,229,160	8.30%	52.00%
2018	0.2174%	3,126,819	41,338,393	7.56%	51.22%
2017	0.2134%	3,211,000	39,352,223	8.16%	48.83%
Component Unit School Board (nonprofessional)					
2022	0.0509%	$ 613,367	$ 11,080,576	5.54%	67.21%
2021	0.0461%	536,263	9,510,601	5.64%	67.45%
2020	0.0487%	812,223	10,016,892	8.11%	52.64%
2019	0.0377%	613,154	7,387,004	8.30%	52.00%
2018	0.0374%	568,000	7,109,483	7.99%	51.22%
2017	0.0367%	552,000	6,763,407	8.16%	48.83%
Component Unit School Board (professional)					
2022	0.5163%	$ 6,217,231	$ 112,316,451	5.54%	67.21%
2021	0.4864%	5,663,132	100,425,892	5.64%	67.45%
2020	0.4957%	8,271,754	102,008,318	8.11%	52.64%
2019	0.4959%	8,069,938	97,216,833	8.30%	52.00%
2018	0.4822%	7,324,000	91,694,292	7.99%	51.22%
2017	0.4813%	7,242,000	88,770,270	8.16%	48.83%

Schedule is intended to show information for 10 years. Information prior to the 2017 is not available. However, additional years will be included as they become available.

COUNTY OF ALBEMARLE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE (GLI) PLAN
June 30, 2023

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Primary Government					
2023	$ 304,410	$ 304,410	$ -	$ 56,372,213	0.54%
2022	267,333	267,333	-	49,506,198	0.54%
2021	248,668	248,668	-	46,049,559	0.54%
2020	235,652	235,652	-	45,299,516	0.52%
2019	219,680	219,680	-	42,229,160	0.52%
2018	216,613	216,613	-	41,338,393	0.52%
2017	204,632	204,632	-	39,352,233	0.52%
Component Unit School Board (nonprofessional)					
2023	$ 65,374	$ 65,374	$ -	$ 12,106,307	0.54%
2022	59,835	59,835	-	11,080,576	0.54%
2021	51,357	51,357	-	9,510,601	0.54%
2020	52,088	52,088	-	10,016,892	0.52%
2019	38,412	38,412	-	7,387,004	0.52%
2018	37,254	37,254	-	7,109,483	0.52%
2017	35,170	35,170	-	6,763,407	0.52%
Component Unit School Board (professional)					
2023	$ 661,637	$ 661,637	$ -	$ 122,525,352	0.54%
2022	606,509	606,509	-	112,316,451	0.54%
2021	542,300	542,300	-	100,425,892	0.54%
2020	530,443	530,443	-	102,008,315	0.52%
2019	505,528	505,528	-	97,216,833	0.52%
2018	480,478	480,478	-	91,694,292	0.52%
2017	461,605	461,605	-	88,770,270	0.52%

Schedule is intended to show information for 10 years. Information prior to 2017 is not available. However, additional years will be included as they become available.

COUNTY OF ALBEMARLE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S SHARE OF NET OPEB LIABILITY
TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN
June 30, 2023

Plan Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	1.2049%	$ 15,049,637	$ 112,297,914	13.40%	15.08%
2021	1.1355%	14,575,313	100,425,892	14.51%	13.15%
2020	1.1636%	15,179,094	102,008,315	14.88%	9.95%
2019	1.1591%	15,174,269	97,225,436	15.61%	8.97%
2018	1.1338%	14,395,000	91,694,292	15.70%	8.08%
2017	1.2470%	14,267,000	88,757,889	16.07%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

COUNTY OF ALBEMARLE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT (HIC) PLAN
June 30, 2023

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Teachers					
2023	$ 1,482,414	$ 1,482,414	$ -	$ 122,513,538	1.21%
2022	1,358,805	1,358,805	-	112,297,914	1.21%
2021	1,215,153	1,215,153	-	100,425,892	1.21%
2020	1,224,100	1,224,100	-	102,008,315	1.20%
2019	1,166,705	1,166,705	-	97,225,436	1.20%
2018	1,127,840	1,127,840	-	91,694,292	1.23%
2017	985,213	985,213	-	88,757,889	1.11%
Virginia Retirement System - Nonprofessional					
2023	$ 55,689	$ 55,689	$ -	$ 12,106,307	0.46%
2022	49,863	49,863	-	11,080,576	0.45%
2021	42,798	42,798	-	9,510,601	0.45%

Schedule is intended to show information for 10 years. Information prior to 2017 (teacher plan) and 2021 (nonprofessional) is not available. However, additional years will be included as they become available.

EXHIBIT 25

COUNTY OF ALBEMARLE, VIRGINIA

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE SCHOOL BOARD NONPROFESSIONAL'S
NET OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE CREDIT (HIC) NONPROFESSIONAL PLAN
June 30, 2023

	Plan Year Ended		
	2023	2022	2021
TOTAL HIC OPEB LIABILITY			
Service Cost	$ 7,058.00	$ 9,612	$ -
Interest	33,487	29,808	-
Change in benefit terms	-	-	-
Differences between expected and actual experience	(6,215)	(1)	-
Changes in assumptions	147,240	13,827	441,604
Benefit payments	(11,620)	-	-
Net change in total HIC OPEB liability	169,950	53,246	441,604
Total HIC OPEB Liability - beginning	494,850	441,604	-
Total HIC OPEB Liability - ending	664,800	494,850	441,604
PLAN FIDUCIARY NET POSITION			
Contributions - employer	49,862	42,798	-
Net investment income	(891)	4,991	-
Benefit payments	(11,620)	-	-
Administrator charges	(157)	(187)	-
Other	1,606	-	-
Net change in plan fiduciary net position	38,800	47,602	-
Plan fiduciary net position - beginning	47,602	-	-
Plan fiduciary net position - ending	86,402	47,602	-
County's net HIC OPEB liability - ending	$ 578,398	$ 447,248	$ 441,604
Plan fiduciary net position as a percentage of the total HIC OPEB liability	13%	10%	0%
Covered payroll	$ 11,080,576	$ 9,510,601	$ 10,016,892
County's net HIC OPEB liability as a percentage of covered payroll	5%	5%	4%

Schedule is intended to show information for 10 years. Information prior to the 2021 plan year is not available. However, additional years will be included as they become available.

Note 1. Changes of Benefit Terms

Pension

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

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

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Note 2. Changes of Assumptions (Continued)

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better-fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better-fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better-fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scape MP-2020.
- Adjusted retirement rates to better-fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better-fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue	Debt Service	Capital Projects Storm Water Control Fund	Total
ASSETS				
Cash and investments	$ 8,662,235	$ -	$ 3,303,740	$ 11,965,975
Receivables, (net of allowance for uncollectibles) (Note 4)	1,070,433	-	-	1,070,433
Total assets	$ 9,732,668	$ -	$ 3,303,740	$ 13,036,408
LIABILITIES				
Accounts payable and accrued liabilities	$ 48,346	$ -	$ 219,041	$ 267,387
Total liabilities	48,346	-	219,041	267,387
DEFERRED INFLOWS				
Unavilable revenue, opioid settlement	797,821	-	-	797,821
Total deferred inflows	797,821	-	-	797,821
FUND BALANCE				
Committed:				
Stormwater projects	-	-	3,084,699	3,084,699
Special revenue	8,886,501	-	-	8,886,501
Total fund balance	8,886,501	-	3,084,699	11,971,200
Total liabilities, deferred inflows, and fund balance	$ 9,732,668	$ -	$ 3,303,740	$ 13,036,408

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue	Debt Service	Capital Projects Storm Water Control Fund	Total
REVENUES				
Other local taxes	$ 2,360,599	$ -	$ -	$ 2,360,599
Permits, privilege fees, and regulatory licenses	21,540	-	-	21,540
Use of money and property	109,912	-	118,417	228,329
Other revenue	222,156	-	-	222,156
Intergovernmental:				
Commonwealth	-	330,108	-	330,108
Federal Government	-	80,155	-	80,155
Total revenues	2,714,207	410,263	118,417	3,242,887
EXPENDITURES				
Current:				
Public works	70,536	-	-	70,536
Health and welfare	43,283	-	-	43,283
Public safety	3,144	-	-	3,144
Community development	782,784	-	-	782,784
Debt service:				
Principal payments	-	15,995,000	-	15,995,000
Interest and fiscal charges	-	7,338,886	-	7,338,886
Capital projects	-	-	789,633	789,633
Total expenditures	899,747	23,333,886	789,633	25,023,266
Excess (deficiency) of revenues over (under) expenditures	1,814,460	(22,923,623)	(671,216)	(21,780,379)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,788,326	22,923,623	-	24,711,949
Transfers (out)	(4,726,539)	-	(50,000)	(4,776,539)
Total other financing sources (uses)	(2,938,213)	22,923,623	(50,000)	$ 19,935,410
Net change in fund balance	(1,123,753)	-	(721,216)	(1,844,969)
Fund balance, beginning of year	10,010,254	-	3,805,915	13,816,169
Fund balance, end of year	$ 8,886,501	$ -	$ 3,084,699	$ 11,971,200

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Water Resources Fund	Courthouse Maintenance Fund	Stream Buffer Fund	Tourism Fund	Old Crozet School Fund	Plastic Bag Tax Fund	Opioid Settlement Fund	Economic Development Fund	Total
ASSETS									
Cash and Investments	$ 458,170	$ -	$ 3,063	$ 903,103	$ 48,668	$ 16,107	$ 230,481	$ 7,002,643	$ 8,662,235
Receivables, (net of allowance for uncollectibles) - Note 4	-	-	-	258,371	-	14,241	797,821	-	1,070,433
Total assets	$ 458,170	$ -	$ 3,063	$ 1,161,474	$ 48,668	$ 30,348	$ 1,028,302	$ 7,002,643	$ 9,732,668
LIABILITIES									
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ 4,569	$ -	$ -	$ 43,777	$ 48,346
Total liabilities	-	-	-	-	4,569	-	-	43,777	48,346
DEFERRED INFLOWS									
Unavilable revenue, opioid settlement	-	-	-	-	-	-	797,821	-	797,821
Total deferred inflows	-	-	-	-	-	-	797,821	-	797,821
FUND BALANCE									
Committed:									
Special revenue	458,170	-	3,063	1,161,474	44,099	30,348	230,481	6,958,866	8,886,501
Total fund balance	458,170	-	3,063	1,161,474	44,099	30,348	230,481	6,958,866	8,886,501
Total liabilities, deferred inflows, and fund balance	$ 458,170	$ -	$ 3,063	$ 1,161,474	$ 48,668	$ 30,348	$ 1,028,302	$ 7,002,643	$ 9,732,668

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Water Resources Fund	Courthouse Maintenance Fund	Stream Buffer Fund	Tourism Fund	Old Crozet School Fund	Plastic Bag Tax Fund	Opioid Settlement Fund	Economic Development Fund	Total
REVENUES									
Other local taxes	$ -	$ -	$ -	$ 2,313,366	$ -	$ 47,233	$ -	$ -	$ 2,360,599
Permits, privilege fees, and regulatory licenses	-	21,540	-	-	-	-	-	-	21,540
Use of money and property	-	-	-	-	107,138	-	2,774	-	109,912
Opioid settlemement	-	-	-	-	-	-	222,156	-	222,156
Total revenues	-	21,540	-	2,313,366	107,138	47,233	224,930	-	2,714,207
EXPENDITURES									
Current:									
Public works	-	-	-	-	70,536	-	-	-	70,536
Health and welfare	-	-	-	-	-	16,885	26,398	-	43,283
Public safety	-	-	-	-	-	-	3,144	-	3,144
Community development	-	-	-	-	-	-	-	782,784	782,784
Total expenditures	-	-	-	-	70,536	16,885	29,542	782,784	899,747
Excess (deficiency) of revenues over (under) expenditures	-	21,540	-	2,313,366	36,602	30,348	195,388	(782,784)	1,814,460
OTHER FINANCING SOURCES (USES)									
Transfers in	1,753,233	-	-	-	-	-	35,093	-	1,788,326
Transfers (out)	(1,511,559)	(21,540)	-	(1,693,440)	-	-	-	(1,500,000)	(4,726,539)
Total other financing sources (uses)	241,674	(21,540)	-	(1,693,440)	-	-	35,093	(1,500,000)	(2,938,213)
Net change in fund balance	241,674	-	-	619,926	36,602	30,348	230,481	(2,282,784)	(1,123,753)
Fund balance, beginning of year	216,496	-	3,063	541,548	7,497	-	-	9,241,650	10,010,254
Fund balance, end of year	$ 458,170	$ -	$ 3,063	$ 1,161,474	$ 44,099	$ 30,348	$ 230,481	$ 6,958,866	$ 8,886,501

EXHIBIT 30

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
June 30, 2023

	General	School	Total
REVENUES			
Commonwealth	$ -	$ 330,108	$ 330,108
Federal government	-	80,155	80,155
Total revenues	-	410,263	410,263
EXPENDITURES			
Debt service:			
Principal payments	4,743,820	11,251,180	15,995,000
Interest and fiscal charges	2,369,500	4,969,386	7,338,886
Total expenditures	7,113,320	16,220,566	23,333,886
Excess (deficiency) of revenues over (under) expenditures	(7,113,320)	(15,810,303)	(22,923,623)
OTHER FINANCING SOURCES			
Transfers in	7,113,320	15,810,303	22,923,623
Total other financing sources	7,113,320	15,810,303	22,923,623
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Facilities Development Fund	Payroll Suspense Fund	CATEC Fund	Computer Replacement Fund	Vehicle Replacement Fund	Total Internal Service Funds
ASSETS									
Current assets:									
Cash and investments	$ 8,774,948	$ 2,108,037	$ 4,029	$ 4,857	$ 163,697	$ -	$ 26,719	$ 753,717	$ 11,836,004
Accounts receivable	-	-	445	-	60,950	907,477	-	-	968,872
Prepaid expenses	7,104.00	-	-	-	-	-	-	-	7,104
Total assets	8,782,052	2,108,037	4,474	4,857	224,647	907,477	26,719	753,717	12,811,980
LIABILITIES									
Current liabilities:									
Accounts payable and accrued liabilities	36,928	-	6,306	-	224,647	907,477	-	41,897	1,217,255
Claims payable:									
Due within one year	3,779,028	144,558	-	-	-	-	-	-	3,923,586
Total liabilities	3,815,956	144,558	6,306	-	224,647	907,477	-	41,897	5,140,841
NET POSITION									
Unrestricted	4,966,096	1,963,479	(1,832)	4,857	-	-	26,719	711,820	7,671,139
Total liabilities and net position	$ 8,782,052	$ 2,108,037	$ 4,474	$ 4,857	$ 224,647	$ 907,477	$ 26,719	$ 753,717	$ 12,811,980

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Facilities Development Fund	Payroll Suspense Fund	CATEC Fund	Computer Replacement Fund	Vehicle Replacement Fund	Total Internal Service Funds
OPERATING REVENUES									
Charges for services, net	$ 34,449,799	$ 1,750,723	$ 46,035	$ -	$ 126,643,433	$ 2,972,772	$ 723,212	$ 1,533,313	$ 168,119,287
OPERATING EXPENSES									
Benefits and related expenses	40,422,710	1,766,209	-	-	-	-	-	-	42,188,919
Services and supplies	-	-	36,186	-	126,643,433	2,972,632	960,684	1,639,336	132,252,271
Total operating expenses	40,422,710	1,766,209	36,186	-	126,643,433	2,972,632	960,684	1,639,336	174,441,190
Operating income (loss)	(5,972,911)	(15,486)	9,849	-	-	140	(237,472)	(106,023)	(6,321,903)
NON-OPERATING REVENUES									
Interest income	314,197	66,892	-	-	-	-	-	50,517	431,606
TRANSFERS									
Transfers in	-	-	-	-	-	-	70,812	-	70,812
Net transfers	-	-	-	-	-	-	70,812	-	70,812
Change in net position	(5,658,714)	51,406	9,849	-	-	140	(166,660)	(55,506)	(5,819,485)
Net position, beginning of year as restated	10,624,810	1,912,073	(11,681)	4,857	-	(140)	193,379	767,326	13,490,624
Net position, end of year	$ 4,966,096	$ 1,963,479	$ (1,832)	$ 4,857	$ -	$ -	$ 26,719	$ 711,820	$ 7,671,139

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
June 30, 2023

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Facilities Development Fund	Payroll Suspense Fund	CATEC FUND	Computer Replacement Fund	Vehicle Replacement Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from insured	$ 34,783,603	$ 1,771,331	$ -	$ -	$ -	$ -	$ -	$ -	$ 36,554,934
Receipts from services	-	-	45,590	-	126,586,345	3,546,278	723,212	1,533,313	132,434,738
Payment to suppliers	(39,923,067)	(1,756,651)	(41,561)	-	(130,585,876)	(3,546,278)	(985,140)	(1,597,439)	(178,436,012)
Net cash provided by (used for) operating activities	(5,139,464)	14,680	4,029	-	(3,999,531)	-	(261,928)	(64,126)	(9,446,340)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers in	-	-	-	-	-	-	70,812	-	70,812
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest income	314,197	66,892	-	-	-	-	-	50,517	161,196,179
Net increase (decrease) in cash and cash equivalents	(4,825,267)	81,572	4,029	-	(3,999,531)	-	(191,116)	(13,609)	12,812,625
Cash and cash equivalents, beginning of year	13,600,215	2,026,465	-	4,857	4,163,228	-	217,835	767,326	20,779,926
Cash and cash equivalents, end of year	$ 8,774,948	$ 2,108,037	$ 4,029	$ 4,857	$ 163,697	$ -	$ 26,719	$ 753,717	$ 11,836,004
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES									
Operating income (loss)	$ (5,972,911)	$ (15,486)	$ 9,849	$ -	$ -	$ 140	$ (237,472)	$ (106,023)	$ (6,321,903)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:									
Change in assets and liabilities:									
Receivables, net	333,804	20,608	(445)	-	(57,088)	573,506	-	-	870,385
Prepaid expenses	(7,104)	-	-	-	-	-	43,088	-	35,984
Accounts payable and accrued liabilities	33,641	-	3,135	-	(3,942,443)	(573,646)	(67,544)	41,897	(4,504,960)
Reconciled overdraft	-	-	(8,510)	-	-	-	-	-	(8,510)
Claims payable	473,106	9,558	-	-	-	-	-	-	482,664
Net cash provided by (used for) operating activities	$ (5,139,464)	$ 14,680	$ 4,029	$ -	$ (3,999,531)	$ -	$ (261,928)	$ (64,126)	$ (9,446,340)

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2023

	McIntire Trust Fund	Juanise Dyer Trust Fund	Weinstein Trust Fund	Crozet Crossings Trust Fund	Synthetic Turf Field Fund	Proffer Trust Fund	Total
ASSETS							
Cash and investments	$ -	$ 13,778	$ 92,693	$ 65,482	$ 246,506	$ 11,042,692	$ 11,461,151
Accounts receivable	1,368	-	-	-	-	2,299	3,667
Investments with trustee	439,780	-	-	-	-	-	439,780
Total assets	441,148	13,778	92,693	65,482	246,506	11,044,991	11,904,598
NET POSITION							
Restricted	441,148	13,778	92,693	65,482	246,506	11,044,991	11,904,598
Total net position	$ 441,148	$ 13,778	$ 92,693	$ 65,482	$ 246,506	$ 11,044,991	$ 11,904,598

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
June 30, 2023

	McIntire Trust Fund	Juanise Dyer Trust Fund	Weinstein Trust Fund	Crozet Crossings Trust Fund	Synthetic Turf Field Fund	Proffer Trust Fund	Total
ADDITIONS							
Contributions - proffers	$ -	$ -	$ -	$ -	$ -	$ 1,186,048	$ 1,186,048
Total contributions	-	-	-	-	-	1,186,048	1,186,048
Investment earnings:							
Investment earnings	18,686	444	2,985	2,109	1,650	350,527	376,401
Total additions	18,686	444	2,985	2,109	1,650	1,536,575	1,562,449
DEDUCTIONS							
General	500	-	-	-	-	-	500
Contributions	-	-	-	-	-	186,711	186,711
Total deductions	500	-	-	-	-	186,711	187,211
Change in net position	18,186	444	2,985	2,109	1,650	1,349,864	1,375,238
Net position, beginning of year	422,962	13,334	89,708	63,373	244,856	9,695,127	10,529,360
Net position, end of year	$ 441,148	$ 13,778	$ 92,693	$ 65,482	$ 246,506	$ 11,044,991	$ 11,904,598

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	Special Welfare Fund	Drug Fund	HUD Family Self Sufficiency Fund	County Contribution Fund	Ace Contribution Fund	Firearms Range Operating Fund	Appeal Bond Fund
ASSETS							
Cash and investments	$ 97,208	$ 208,419	$ 24,127	$ 118,258	$ 22,539	$ 782,437	$ 4,500
Accounts receivable	-	-	-	-	-	24,372	-
Prepaid expenses	-	-	-	-	-	-	-
Net pension asset	-	-	-	-	-	-	-
Land and capital assets, net	-	-	-	-	-	-	-
Total assets	97,208	208,419	24,127	118,258	22,539	806,809	4,500
DEFERRED OUTFLOWS							
Deferred outflows	-	-	-	-	-	-	-
	-						
Total deferred outflows	-	-	-	-	-	-	-
LIABILITIES							
Accounts payable	-	-	-	-	-	30,307	-
Compensated absences	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-
Pension and OPEB liabilities	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	30,307	-
DEFERRED INFLOWS							
Deferred inflows	-	-	-	-	-	-	-
Total deferred inflows	-	-	-	-	-	-	-
NET POSITION							
Restricted for:							
Other Governments	-	-	-	-	-	-	-
Restricted for net pension asset	-	-	-	-	-	-	-
Individuals and organizations	97,208	208,419	24,127	118,258	22,539	776,502	4,500
Total net position	$ 97,208	$ 208,419	$ 24,127	$ 118,258	$ 22,539	$ 776,502	$ 4,500

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION (Continued)
CUSTODIAL FUNDS
June 30, 2023

	Sheriff Reserve Fund	Performance Bond Fund	Natural Heritage Fund	Commonwealth Attorney Commission Fund	Public Recreation Facility Fund	Courts Escrow Fund
ASSETS						
Cash and investments	$ 1,942	$ 3,949,931	$ 1,201	$ (13,221)	$ 611,286	$ 7,807
Accounts receivable	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Net pension asset	-	-	-	-	-	-
Deferred outflows	-	-	-	-	-	-
Land and capital assets, net	-	-	-	-	-	-
Total assets	1,942	3,949,931	1,201	(13,221)	611,286	7,807
DEFERRED OUTFLOWS						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows	-	-	-	-	-	-
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-
Deferred inflows	-	-	-	-	-	-
Pension and OPEB liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS						
Deferred inflows	-	-	-	-	-	-
Total deferred inflows	-	-	-	-	-	-
NET POSITION						
Restricted for:						
Other Governments	-	-	-	-	-	-
Restricted for net pension asset	-	-	-	-	-	-
Individuals and organizations	1,942	3,949,931	1,201	(13,221)	611,286	7,807
Total net position	$ 1,942	$ 3,949,931	$ 1,201	$ (13,221)	$ 611,286	$ 7,807

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION (Continued)
CUSTODIAL FUNDS
June 30, 2023

	Charlottesville UVA Albemarle ECC	Blue Ridge Juvenille Detention Commission	Darden Towe Memorial Park	Charlottesville Albemarle Convention and Visitors Bureau	State Account Fund	Albemarle Broadband Authority	Total
ASSETS							
Cash and investments	$ 4,173,781	$ 1,785,311	$ -	$ 1,118,852	$ 41,129	$ 31,044	$ 12,966,551
Accounts receivable	217,459	68,492	50,715	-	303	-	361,341
Prepaid expenses	79,248	5,077	385	14,223	-	-	98,933
Net pension asset	-	23,965	-	-	-	-	23,965
Land and capital assets, net	6,148,907	5,500,314	-	29,816	-	-	11,679,037
Total assets	10,619,395	7,383,159	51,100	1,162,891	41,432	31,044	25,129,827
DEFERRED OUTFLOWS							
Deferred outflows	884,207	327,952	37,287	152,908	-	-	1,402,354
Total deferred outflows	884,207	327,952	37,287	152,908	-	-	1,402,354
LIABILITIES							
Accounts payable and accrued liabilities	451,086	156,944	22,503	51,806	10,591	-	723,237
Compensated absences	261,832	129,584	8,891	48,265	-	-	448,572
Deferred revenues	-	-	-	643,955	-	-	643,955
Pension and OPEB liabilities	2,300,351	480,961	100,371	404,720	-	-	3,286,403
Total liabilities	3,013,269	767,489	131,765	1,148,746	10,591	-	5,102,167
DEFERRED INFLOWS							
Deferred inflows	909,786	406,212	37,955	153,568	-	-	1,507,521
Total deferred inflows	909,786	406,212	37,955	153,568	-	-	1,507,521
NET POSITION							
Restricted for:							
Other Governments	7,580,547	6,513,445	(81,333)	13,485	-	-	14,026,144
Restricted for net pension asset	-	23,965	-	-	-	-	23,965
Individuals and organizations	-	-	-	-	30,841	31,044	5,872,384
Total net position	$ 7,580,547	$ 6,537,410	$ (81,333)	$ 13,485	$ 30,841	$ 31,044	$ 19,922,493

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	Special Welfare Fund	Drug Fund	HUD Family Self Sufficiency Fund	County Contribution Fund	Ace Contribution Fund	Firearms Range Operating Fund	Bond Appeal Funds
Additions							
Contributions:							
Private contributions	$ 98,192	$ -	$ -	$ 19,125	$ -	$ 244,493	$ -
Government contributions	-	9,334	-	-	-	159,414	-
Charges for services	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total contributions	98,192	9,334	-	19,125	-	403,907	-
Investment earnings:							
Interest	-	5,307	-	3,673	726	22,767	-
Total investment earnings	-	5,307	-	3,673	726	22,767	-
Total additions	98,192	14,641	-	22,798	726	426,674	-
Deductions							
Recipient payments	90,173	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	317,941	-
Parks and rec	-	-	-	-	-	-	-
Juvenile public safety	-	-	-	-	-	-	-
Emergency communications	-	-	-	-	-	-	-
Visitors Bureau	-	-	-	-	-	-	-
Total deductions	90,173	-	-	-	-	317,941	-
Net increase (decrease) in fiduciary net position	8,019	14,641	-	22,798	726	108,733	-
Net position - beginning, as restated	89,189	193,778	24,127	95,460	21,813	667,769	4,500
Net position - ending	$ 97,208	$ 208,419	$ 24,127	$ 118,258	$ 22,539	$ 776,502	$ 4,500

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
CUSTODIAL FUNDS
June 30, 2023

	Sheriff Reserve Fund	Performance Bond Fund	Natural Heritage Fund	Commonwealth Attorney Commission Fund	Public Recreation Facility Authority	Courts Escrow Fund
Additions						
Contributions:						
Private contributions	$ -	$ 1,527,663	$ -	$ 39,235	$ -	$ -
Government contributions	-	-	-	-	106,942	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total contributions	-	1,527,663	-	39,235	106,942	-
Investment earnings:						
Interest	62	10,457	39	-	18,576	-
Total investment earnings	62	10,457	39	-	18,576	-
Total additions	62	1,538,120	39	39,235	125,518	-
Deductions						
Recipient payments	-	1,626,027	-	78,162	-	-
Administrative expenses	-	-	-	-	1,070	-
Parks and rec	-	-	-	-	-	-
Juvenile public safety	-	-	-	-	-	-
Emergency communications	-	-	-	-	-	-
Visitors Bureau	-	-	-	-	-	-
Total deductions	-	1,626,027	-	78,162	1,070	-
Net increase (decrease) in fiduciary net position	62	(87,907)	39	(38,927)	124,448	-
Net position - beginning, as restated	1,880	4,037,838	1,162	25,706	486,838	7,807
Net position - ending	$ 1,942	$ 3,949,931	$ 1,201	$ (13,221)	$ 611,286	$ 7,807

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
CUSTODIAL FUNDS
June 30, 2023

	Charlottesville Albemarle UVA ECC	Blue Ridge Juvenille Detention Commission	Darden Towe Memorial Park	Charlottesville Albemarle Visitors Bureau	State Account Fund	Albemarle Broadband Authority	Total
Additions							
Contributions:							
Private contributions	$ -	$ -	$ -	$ -	$ 94,084	$ -	$ 2,022,792
Government contributions	1,275,717	3,030,902	-	611,043	-	-	5,193,352
Charges for services	7,277,969	-	314,704	45,398	-	-	7,638,071
Intergovernmental	780,346	1,062,341	-	1,593,453	-	-	3,436,140
Miscellaneous	5,710	57,742	19,397	-	-	-	82,849
Total contributions	9,339,742	4,150,985	334,101	2,249,894	94,084	-	18,373,204
Investment earnings:							
Interest	141,403	56,484	-	13,169	-	1,000	273,663
Total investment earnings	141,403	56,484	-	13,169	-	1,000	273,663
Total additions	9,481,145	4,207,469	334,101	2,263,063	94,084	1,000	18,646,867
Deductions							
Recipient payments	-	-	-	-	-	-	1,794,362
Administrative expenses	-	-	-	-	77,633	-	396,644
Parks and rec	-	-	294,437	-	-	-	294,437
Juvenile public safety	-	4,157,712	-	-	-	-	4,157,712
Emergency communications	9,652,558	-	-	-	-	-	9,652,558
Visitors Bureau	-	-	-	3,260,157	-	-	3,260,157
Total deductions	9,652,558	4,157,712	294,437	3,260,157	77,633	-	19,555,870
Net increase (decrease) in fiduciary net position	(171,413)	49,757	39,664	(997,094)	16,451	1,000	(909,003)
Net position - beginning, as restated	7,751,960	6,487,653	(120,997)	1,010,579	14,390	30,044	20,831,496
Net position - ending	$ 7,580,547	$ 6,537,410	$ (81,333)	$ 13,485	$ 30,841	$ 31,044	$ 19,922,493

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
June 30, 2023

	Special Revenue Funds			
	Courthouse Maintenance Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ -	$ -	$ -	$ -
Use of money and property	-	-	-	-
Permits	31,392	31,392	21,540	(9,852)
Intergovernmental:				
Commonwealth	-	-	-	-
Federal Government	-	-	-	-
Total revenues	31,392	31,392	21,540	$ (9,852)
EXPENDITURES				
Current:				
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	31,392	31,392	21,540	(9,852)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	(31,392)	(31,392)	(21,540)	9,852
Total other financing sources (uses)	(31,392)	(31,392)	(21,540)	9,852
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

(Continued)

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
June 30, 2023

	Economic Development Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ -	$ -	$ -	$ -
Use of money and property	-	-	-	-
Permits	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal Government	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Health and welfare	-	-	-	-
Community development	293,030	2,527,946	782,784	1,745,162
Total expenditures	293,030	2,527,946	782,784	1,745,162
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	293,030	2,527,946	782,784	1,745,162
Excess (deficiency) of revenues over (under) expenditures	(293,030)	(2,527,946)	(782,784)	1,745,162
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	(1,500,000)	(6,713,704)	(1,500,000)	5,213,704
Total other financing sources (uses)	(1,500,000)	(6,713,704)	(1,500,000)	5,213,704
Net change in fund balance	(1,793,030)	(9,241,650)	(2,282,784)	6,958,866
Fund balance, beginning of year	1,793,030	9,241,650	9,241,650	-
Fund balance, end of year	$ -	$ -	$ 6,958,866	$ 6,958,866

(Continued)

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
June 30, 2023

	Tourism Fund			
	Original Budget	Final Budge	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ 1,693,440	$ 1,693,440	$ 2,313,366	$ 619,926
Use of money and property	-	-	-	-
Permits	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal Government	-	-	-	-
Total revenues	1,693,440	1,693,440	2,313,366	619,926
EXPENDITURES				
Current:				
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,693,440	1,693,440	2,313,366	619,926
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers (out)	(1,693,440)	(1,693,440)	(1,693,440)	-
Total other financing sources (uses)	(1,693,440)	(1,693,440)	(1,693,440)	-
Net change in fund balance	-	-	619,926	619,926
Fund balance, beginning of year	-	-	541,548	541,548
Fund balance, end of year	$ -	$ -	$ 1,161,474	$ 1,161,474

(Continued)
The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
June 30, 2023

	Plastic Bag Tax Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ 20,000	$ 20,000	$ 47,233	$ 27,233
Use of money and property	-	-	-	-
Permits	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal Government	-	-	-	-
Total revenues	20,000	20,000	47,233	27,233
EXPENDITURES				
Current:				
Health and welfare	20,000	20,000	16,885	3,115
Community development	-	-	-	-
Total community development	20,000	20,000	16,885	3,115
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects	-	-		-
Total expenditures	20,000	20,000	16,885	3,115
Excess (deficiency) of revenues over (under) expenditures	-	-	30,348	30,348
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-		-
Net change in fund balance	-	-	30,348	30,348
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ 30,348	$ 30,348

(Continued)
The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
June 30, 2023

	General Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ -	$ -	$ -	$ -
Use of money and property	-	-	-	-
Permits	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal Government	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	-	-	-
Debt service:				
Principal payments	5,042,949	4,743,820	4,743,820	-
Interest and fiscal charges	2,319,329	2,618,458	2,369,500	248,958
Capital projects	-	-	-	-
Total expenditures	7,362,278	7,362,278	7,113,320	248,958
Excess (deficiency) of revenues over (under) expenditures	(7,362,278)	(7,362,278)	(7,113,320)	248,958
OTHER FINANCING SOURCES (USES)				
Transfers in	7,362,278	7,362,278	7,113,320	(248,958)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	7,362,278	7,362,278	7,113,320	(248,958)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

(Continued)

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
June 30, 2023

	School Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ -	$ -	$ -	$ -
Use of money and property	-	-	-	-
Permits	-	-	-	-
Intergovernmental:				
Commonwealth	330,108	330,108	330,108	-
Federal Government	79,390	79,390	80,155	765
Total revenues	409,498	409,498	410,263	765
EXPENDITURES				
Current:				
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	-	-	-
Debt service:				
Principal payments	11,367,050	11,251,180	11,251,180	-
Interest and fiscal charges	4,909,619	5,025,489	4,969,386	56,103
Capital projects	-	-	-	-
Total expenditures	16,276,669	16,276,669	16,220,566	56,103
Excess (deficiency) of revenues over (under) expenditures	(15,867,171)	(15,867,171)	(15,810,303)	56,868
OTHER FINANCING SOURCES (USES)				
Transfers in	15,867,171	15,867,171	15,810,303	(56,868)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	15,867,171	15,867,171	15,810,303	(56,868)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

(Continued)

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
June 30, 2023

	Capital Projects Fund			
	Storm Water Control			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Other local taxes	$ -	$ -	$ -	$ -
Use of money and property	-	-	118,417	118,417
Permits	-	-	-	-
Intergovernmental:				
Commonwealth	-	859,635	-	(859,635)
Federal Government	-	96,261	-	(96,261)
Total revenues	-	955,896	118,417	(837,479)
EXPENDITURES				
Current:				
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital projects	-	3,770,308	789,633	2,980,675
Total expenditures	-	3,770,308	789,633	2,980,675
Excess (deficiency) of revenues over (under) expenditures	-	(2,814,412)	(671,216)	2,143,196
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	(50,000)	(50,000)	-
Total other financing sources (uses)	-	(50,000)	(50,000)	-
Net change in fund balance	-	(2,864,412)	(721,216)	2,143,196
Fund balance, beginning of year	-	2,864,412	3,805,915	941,503
Fund balance, end of year	$ -	$ -	$ 3,084,699	$ 3,084,699

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMPONENT UNIT SCHOOL BOARD
COMBINING BALANCE SHEET
June 30, 2023

	School Operating Fund	School Food Services Fund	School Activities Fund	School Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments	$ 20,728,996	$ 4,335,922	$ 3,266,465	$ 7,116,278	$ 35,447,661
Accounts receivable	486,045	19,793	-	2,378	508,216
Due from other governments	11,285,779	579,207	-	1,107,968	12,972,954
Prepaid items	154,181	-	-	-	154,181
Inventories	212,615	127,919	-	-	340,534
Total assets	$ 32,867,616	$ 5,062,841	$ 3,266,465	$ 8,226,624	$ 49,423,546
LIABILITIES					
Accounts payable and accrued liabilities	$ 20,443,231	$ 59,817	$ -	$ 4,227,952	$ 24,731,000
Total liabilities	20,443,231	59,817	-	4,227,952	24,731,000
FUND BALANCE					
Nonspendable:					
Inventories and prepaid items	366,796	127,919	-	-	494,715
Restricted:					
Scholarships	-	-	44,902	-	44,902
Committed:					
Education					
Special revenue	12,057,589	4,875,105	3,221,563	-	20,154,257
Assigned:					
Capital Projects	-	-	-	3,998,672	3,998,672
Total fund balance	12,424,385	5,003,024	3,266,465	3,998,672	24,692,546
Total liabilities and fund balance	$ 32,867,616	$ 5,062,841	$ 3,266,465	$ 8,226,624	$ 49,423,546

The Notes to Financial Statements are an integral part of this Statement.

EXHIBIT 40

COUNTY OF ALBEMARLE, VIRGINIA

COMPONENT UNIT SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances for governmental funds		$ 24,692,546
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and land improvements	$ 6,156,750	
Construction in progress	9,293,962	
Buildings and improvements, net of accumulated depreciation	127,659,537	
Lease buildings, net of depreciation	1,133,434	
Furniture, equipment, and vehicles, net of depreciation	10,089,229	
School Board capital assets in primary government, net of depreciation	(77,937,776)	76,395,136
Financial statement elements related to pension and OPEB plans are applicable to future periods and, therefore, are not reported in the funds		
Deferred outflows related to pensions	38,940,982	
Deferred outflows related to OPEB	9,309,532	
Deferred inflows related to pensions	(26,978,083)	
Deferred inflows related to OPEB	(9,904,528)	11,367,903
Long-term liabilities applicable to the School Board’s governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Balances of long-term liabilities affecting net position consist of the following:		
Compensated absences	(5,409,420)	
School energy improvement loan	(5,159,288)	
Lease liability	(1,228,076)	
Net pension asset	2,648,580	
Net pension liability	(114,782,242)	
Net OPEB liabilities	(48,364,179)	(172,294,625)
Total net position of governmental activities (Exhibit 1)		$ (59,839,040)

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMPONENT UNIT SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
June 30, 2023

	School Operating Fund	School Food Services Fund	School Activities Fund	School Capital Projects Fund	Total Governmental Funds
REVENUES					
Use of money and property	$ 356,804	$ 155,941	$ -	$ 9,148	$ 521,893
Charges for services	3,434,110	2,155,336	-	-	5,589,446
Miscellaneous	1,319,414	122,070	2,284,961	270,000	3,996,445
Recovered costs	100,837	-	-	2,378	103,215
Intergovernmental:					
Appropriation from primary government	167,453,853	-	-	1,636,247	169,090,100
Commonwealth	68,741,541	173,215	-	3,007,367	71,922,123
Federal Government	10,760,709	4,173,713	-	1,107,968	16,042,390
Total revenues	252,167,268	6,780,275	2,284,961	6,033,108	267,265,612
EXPENDITURES					
Current:					
Education:					
Instruction	160,764,573	-	2,174,445	-	162,939,018
Administration, attendance, and health	20,404,828	-	-	-	20,404,828
Transportation	13,133,414	-	-	-	13,133,414
Special programs	21,667,935	-	-	-	21,667,935
Facilities operations and maintenance	22,516,072	-	-	-	22,516,072
School food services	-	7,036,598	-	-	7,036,598
Technology	8,544,871	-	-	-	8,544,871
Contribution to primary government	9,461,582	-	-	-	9,461,582
Capital projects	-	-	-	22,863,219	22,863,219
Debt service:					
Principal	1,176,089	-	-	-	1,176,089
Interest	268,211	-	-	-	268,211
Total expenditures	257,937,575	7,036,598	2,174,445	22,863,219	290,011,837
Excess (deficiency) of revenues over (under) expenditures	(5,770,307)	(256,323)	110,516	(16,830,111)	(22,746,225)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	34,675	-	4,352,775	4,387,450
Transfers out	(4,387,450)	-	-	-	(4,387,450)
Total other financing sources (uses)	(4,387,450)	34,675	-	4,352,775	-
Net change in fund balance	(10,157,757)	(221,648)	110,516	(12,477,336)	(22,746,225)
Fund balance, beginning of year	22,582,142	5,224,672	3,155,949	16,476,008	47,438,771
Fund balance, end of year	$ 12,424,385	$ 5,003,024	$ 3,266,465	$ 3,998,672	$ 24,692,546

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

COMPONENT UNIT SCHOOL BOARD
RECONCILIATION OF THE STATEMENT FO REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2023

Net change in fund balances - total governmental funds		$ (22,746,225)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful live and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is as follows:		
Capital outlay:		
Construction in progress additions	$ 6,517,155	
Construction in progress deletions	(11,706,874)	
Land deletions	(17,392)	
Buildings and improvements additions	1,792,721	
Buildings and improvements deletions	(276,838)	
Removal of accumulated depreciation	290,757	
Other improvements additions	9,834,513	
Furniture, equipment, and vehicle additions	6,354,360	
Furniture, equipment, and vehicle deletions	(75,340)	12,713,062
Depreciation expense		(15,304,317)
School Board capital assets are jointly owned by the County and School Board. The County share of School Board capital assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year-to-year basis. The net transfer resulting from this relationship decreased the transfers to the School Board.		
School buildings and improvements additions		10,976,854
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Decrease in deferred inflows related to the measurement of the net OPEB liability	43,693,617	
(Increase) in deferred inflows related to the measurement of the net pension liability	(2,098,985)	41,594,632
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:		
Principal retirement of energy loan	658,354	
Principal retirement of lease liability	517,735	
Increase in deferred outflows related to the measurement of the net pension liability	2,244,436	
Increase in deferred outflows related to the measurement of the net OPEB liabilities	2,659,557	
Decrease of net OPEB liability	589,304	
(Decrease) of net pension asset	(1,432,664)	
(Increase) of net pension liability	(26,798,402)	
(Increase) of compensated absences	(637,944)	(22,199,624)
Changes in net position of governmental activities (Exhibit 2)		$ 5,034,382

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COUNTY OF ALBEMARLE, VIRGINIA

COMPONENT UNIT SCHOOL BOARD - SCHOOL FUNDS
BUDGETARY COMPARISON SCHEDULE
June 30, 2023

	School Operating Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ 100,000	$ 100,000	$ 356,804	$ 256,804
Charges for services	4,624,955	4,624,955	3,434,110	(1,190,845)
Miscellaneous	949,858	1,454,412	1,319,414	(134,998)
Recovered costs	928,006	928,006	100,837	(827,169)
Intergovernmental:				
Appropriation from primary government	167,453,853	167,453,853	167,453,853	-
Commonwealth	70,011,188	70,994,885	68,741,541	(2,253,344)
Federal Government	19,178,779	19,178,779	10,760,709	(8,418,070)
Total revenues	263,246,639	264,734,890	252,167,268	(12,567,622)
EXPENDITURES				
Current:				
Education:				
Instruction	163,752,366	164,066,178	160,764,573	3,301,605
Administration, attendance, and health	28,866,160	29,542,642	20,404,828	9,137,814
Transportation	13,385,217	13,436,010	13,133,414	302,596
Special Programs	33,112,735	37,861,683	21,667,935	16,193,748
Facilities operations and maintenance	19,280,599	20,811,332	22,516,072	(1,704,740)
Food service operations	-	-	-	-
Technology	6,124,688	6,179,468	8,544,871	(2,365,403)
Contribution to primary government	2,445,786	2,445,786	9,461,582	(7,015,796)
Capital projects				
Debt service:				
Principal	600,064	1,176,090	1,176,089	1
Interest	268,211	268,211	268,211	-
Total expenditures	267,835,826	275,787,400	257,937,575	17,849,825
Excess (deficiency) of revenues over (under) expenditures	(4,589,187)	(11,052,510)	(5,770,307)	5,282,203
OTHER FINANCING SOURCES (USES)				
Transfers in	10,478,018	17,041,532	-	(17,041,532)
Transfers (out)	(5,888,831)	(5,989,022)	(4,387,450)	1,601,572
Total other financing sources (uses)	4,589,187	11,052,510	(4,387,450)	(15,439,960)
Net change in fund balance	-	-	(10,157,757)	(10,157,757)
Fund balance, beginning of year	-	-	22,582,142	22,582,142
Fund balance, end of year	$ -	$ -	$ 12,424,385	$ 12,424,385

School Food Services Fund				School Capital Projects Fund			
Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
$ 51,153	$ 51,153	$ 155,941	$ 104,788	$ 135,000	$ 135,000	$ 9,148	$ (125,852)
2,689,005	2,689,005	2,155,336	(533,669)	-	-	-	-
120,000	120,000	122,070	2,070	270,000	270,000	270,000	0
-	-	-	-	-	-	2,378	2,378
		-	-				-
-	-	-	-	-	-	1,636,247	1,636,247
99,504	99,504	173,215	73,711	3,595,941	3,556,702	3,007,367	(549,335)
3,177,384	3,177,384	4,173,713	996,329	1,567,762	2,878,512	1,107,968	(1,770,544)
6,137,046	6,137,046	6,780,275	643,229	5,568,703	6,840,214	6,033,108	(807,106)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,137,046	11,193,531	7,036,598	4,156,933	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	55,415,539	81,928,614	22,863,219	59,065,395
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,137,046	11,193,531	7,036,598	4,156,933	55,415,539	81,928,614	22,863,219	59,065,395
-	(5,056,485)	(256,323)	4,800,162	(49,846,836)	(75,088,400)	(16,830,111)	58,258,289
-	5,056,485	34,675	(5,021,810)	49,846,836	75,088,400	4,352,775	(70,735,625)
-	-	-	-	-	-	-	-
-	5,056,485	34,675	(5,021,810)	49,846,836	75,088,400	4,352,775	(70,735,625)
-	-	(221,648)	(221,648)	-	-	(12,477,336)	(12,477,336)
-	-	5,224,672	5,224,672	-	-	16,476,008	16,476,008
$ -	$ -	$ 5,003,024	$ 5,003,024	$ -	$ -	$ 3,998,672	$ 3,998,672

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STATISTICAL SECTION

Contents Pages

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

COUNTY OF ALBEMARLE, VIRGINIA

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	$ 15,838,056	$ 19,617,917	$ 19,119,107	$ 13,365,493	$ 14,365,980	$ 18,886,437	$ 37,769,441	$ 7,114,866	$ 11,080,909	$ 14,434,413
Restricted:										
Capital projects	12,019,324	-	-	-	-	-	-	-	-	-
Grant compliance	920,676	1,049,763	1,966,148	3,827,416	2,257,492	3,147,427	5,046,435	5,074,713	8,170,829	10,484,407
Unrestricted	47,949,971	23,907,935	28,705,894	17,812,570	43,055,795	54,142,737	36,660,001	51,662,626	86,486,248	107,651,529
Total governmental activities net position	$ 76,728,027	$ 44,575,615	$ 49,791,149	$ 35,005,479	$ 59,679,267	$ 76,176,601	$ 79,475,877	$ 63,852,205	$ 105,737,986	$ 132,570,349
Component Unit - School Board										
Net investment in capital assets	$ 71,271,030	$ 68,284,362	$ 65,392,519	$ 59,845,625	$ 64,536,183	$ 67,135,276	$ 70,997,714	$ 64,195,087	$ 68,009,537	$ 70,007,772
Restricted for net pension asset	-	-	-	-	-	-	-	-	4,081,244	2,648,580
Unrestricted	397,150	(144,572,714)	(138,243,494)	(106,394,995)	(169,446,808)	(174,530,051)	(181,552,654)	(133,916,098)	(136,964,203)	(132,495,392)
Total governmental activities net position	$ 71,668,180	$ (76,288,352)	$ (72,850,975)	$ (46,549,370)	$ (104,910,625)	$ (107,394,775)	$ (110,554,940)	$ (69,721,011)	$ (64,873,422)	$ (59,839,040)

The Notes to Financial Statements are an integral part of this Statement.

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COUNTY OF ALBEMARLE, VIRGINIA

CHANGES IN NET POSITION
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government administration	$ 13,650,293	$ 13,857,864	$ 14,184,519	$ 14,159,853	$ 13,180,551	$ 16,033,434	$ 20,152,213	$ 22,663,518	$ 20,655,655	$ 26,038,310
Judicial administration	975,851	6,047,874	5,909,977	5,955,611	6,115,421	6,423,724	6,914,556	7,006,895	5,048,125	5,698,775
Public safety	42,371,942	41,294,799	44,153,582	45,574,488	45,989,178	47,607,466	52,253,314	56,437,283	57,489,744	64,272,057
Public works	9,476,129	7,842,960	7,783,781	7,661,298	12,610,005	8,557,091	10,056,684	11,531,644	13,797,269	16,159,367
Health and welfare	27,307,322	27,157,789	27,448,264	26,701,233	27,868,798	31,364,841	30,827,079	37,346,963	35,223,630	43,468,438
Education	117,107,823	117,177,041	122,557,855	156,222,909	114,359,371	136,979,246	160,479,578	185,074,053	147,596,404	182,614,469
Parks, recreation, and cultural	7,905,484	7,852,218	11,098,308	8,804,004	9,333,628	8,910,639	10,425,952	10,618,313	9,775,450	12,667,681
Community development	26,498,797	27,900,025	27,080,262	26,614,114	28,358,277	31,930,547	30,569,280	35,292,202	34,627,418	43,385,081
Interest on long-term debt	7,973,196	5,416,853	6,105,200	6,695,703	7,370,089	6,386,159	5,896,836	5,753,837	5,110,508	4,845,069
Total governmental activities expenses	$ 253,266,837	$ 254,547,423	$ 266,321,748	$ 298,389,213	$ 265,185,318	$ 294,193,147	$ 327,575,492	$ 371,724,708	$ 329,324,203	$ 399,149,247
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	$ 385,209	$ 379,547	$ 397,260	$ 382,375	$ 407,226	$ 402,374	$ 533,458	$ 575,409	$ 159,810	$ 23,833
Judicial administration	544,286	503,083	500,335	495,670	545,992	482,515	473,122	369,342	610,498	486,574
Public safety	2,775,672	2,803,272	3,161,337	3,117,781	3,293,635	3,393,997	3,220,032	3,014,561	3,500,292	4,407,887
Public works	74,861	95,345	102,082	92,316	63,340	96,292	59,844	48,660	-	-
Education	-	-	-	25,000	23,821	25,000	25,000	22,500	-	-
Parks, recreation, and cultural	331,375	335,885	336,689	314,000	312,151	333,205	155,050	41,994	280,282	321,860
Community development	1,824,367	1,839,909	2,477,563	2,500,395	2,814,120	2,365,686	2,474,691	2,466,608	3,618,598	3,215,020
Operating grants and contributions	20,180,407	23,351,090	24,223,061	24,523,951	24,733,655	27,736,396	35,938,814	53,197,772	35,701,494	52,186,566
Capital grants and contributions	244,658	2,100,329	3,356,618	1,440,477	1,541,603	947,025	763,951	460,212	1,625,099	1,255,909
Total governmental activities program revenues	26,360,835	31,408,460	34,554,945	32,891,965	33,735,543	35,782,490	43,643,962	60,197,058	45,496,073	61,897,649
Net (expense)/revenue										
Governmental activities	$ (226,906,002)	$ (223,138,963)	$ (231,766,803)	$ (265,497,248)	$ (231,449,775)	$ (258,410,657)	$ (283,931,530)	$ (311,527,650)	$ (283,828,130)	$ (337,251,598)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
General property taxes, real and personal	$ 145,022,794	$ 152,302,505	$ 165,115,649	$ 174,980,809	$ 184,916,636	$ 195,223,133	$ 206,274,520	$ 216,284,089	$ 233,881,733	$ 256,096,410
Local sales and use taxes	13,573,237	14,405,992	15,093,147	16,229,409	16,858,642	16,996,773	18,492,964	19,806,666	22,446,273	23,966,608
Business license tax	10,370,971	10,883,364	11,952,487	12,849,303	13,231,145	13,480,638	13,834,555	13,811,085	15,355,367	16,808,507
Consumer utility taxes	4,346,059	4,439,504	4,404,363	4,462,769	4,607,616	4,570,646	4,493,304	4,540,578	4,761,328	4,834,766
Meals tax	6,361,972	6,950,994	7,415,331	7,971,041	8,580,284	8,849,721	7,909,209	7,332,394	10,217,608	16,892,773
Motor vehicle licenses taxes	3,672,607	3,566,011	3,732,953	3,910,692	3,925,015	4,224,340	3,945,530	4,007,434	4,008,964	4,141,427
Other local taxes	5,763,656	5,709,797	6,137,652	7,258,368	6,593,424	6,626,738	6,006,504	7,546,429	9,117,799	12,129,841
Unrestricted grants and contributions	21,255,810	21,120,038	21,017,419	21,113,223	20,816,629	20,389,874	20,497,314	19,402,652	19,456,125	19,911,934
Unrestricted revenues from use of money and property	692,400	985,769	1,631,677	1,653,038	2,515,915	3,504,029	2,691,171	1,665,951	1,661,227	6,548,075
Miscellaneous	506,060	1,362,906	481,659	282,926	1,774,308	1,042,099	3,103,735	1,488,500	4,807,687	2,753,760
Total governmental activities	211,565,566	221,726,880	236,982,337	250,711,578	263,819,614	274,907,991	287,248,806	295,885,778	325,714,111	364,084,101
Change in Net Position										
Governmental Activities	$ (15,340,436)	$ (1,412,083)	$ 5,215,534	$ (14,785,670)	$ 32,369,839	$ 16,497,334	$ 3,317,276	$ (15,641,872)	$ 41,885,981	$ 26,832,503

The Notes to Financial Statements are an integral part of this Statement.

Table 2

COUNTY OF ALBEMARLE, VIRGINIA

CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Component unit activities:										
Albemarle County Public Schools	$ 181,612,613	$ 183,267,944	$ 188,700,452	$ 207,155,126	$ 202,743,987	$ 206,281,210	$ 224,268,894	$ 223,214,007	$ 240,636,806	$ 273,104,869
Economic Development Authority	-	-	-	-	-	-	-	-	-	1,202,514
Total component unit activities program expenses	$ 181,612,613	$ 183,267,944	$ 188,700,452	$ 207,155,126	$ 202,743,987	$ 206,281,210	$ 224,268,894	$ 223,214,007	$ 240,636,806	$ 274,307,383
Program Revenues										
Component unit activities:										
Albemarle County Public Schools										
Charges for services:	$ 6,500,393	$ 5,906,669	$ 6,583,247	$ 6,104,492	$ 5,721,410	$ 6,196,353	$ 4,790,755	$ 1,212,995	$ 3,486,353	$ 5,589,446
Operating grants and contributions	51,535,786	53,440,814	55,447,030	58,701,661	59,187,971	58,530,559	61,839,647	74,674,431	92,323,244	83,849,178
Capital grants and contributions	1,804,000	300,000	1,026,000	1,752,000	1,000,000	960,000	960,000	960,000	960,887	4,115,335
Total ACPS program revenues	59,840,179	59,647,483	63,056,277	66,558,153	65,909,381	65,686,912	67,590,402	76,847,426	96,770,484	93,553,959
Economic Development Authority										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	1,320,587
Total EDA program revenues	-	-	-	-	-	-	-	-	-	1,320,587
Total component unit activities program expenses	59,840,179	59,647,483	63,056,277	66,558,153	65,909,381	65,686,912	67,590,402	76,847,426	96,770,484	94,874,546
Net (expense)/revenue										
Albemarle County Public Schools	$ (121,772,434)	$ (123,620,461)	$ (125,644,175)	$ (140,596,973)	$ (136,834,606)	$ (140,594,298)	$ (156,678,492)	$ (146,366,581)	$ (143,866,322)	$ (179,550,910)
Economic Development Authority	-	-	-	-	-	-	-	-	-	118,073
Total Component Unit Activities	(121,772,434)	(123,620,461)	(125,644,175)	(140,596,973)	(136,834,606)	(140,594,298)	(156,678,492)	(146,366,581)	(143,866,322)	(179,432,837)
General Revenues and Other Changes in Net Position										
Component unit - School Board:										
Payment from COA: Education	$ 117,082,861	$ 117,153,017	$ 122,891,483	$ 162,121,149	$ 110,978,380	$ 133,748,641	$ 149,352,216	$ 181,794,643	$ 144,513,727	$ 180,066,954
Unrestricted revenues from use of money and property	914,242	923,260	1,206,650	1,123,464	1,294,270	1,418,504	680,369	149,533	307,009	521,893
Miscellaneous	2,841,684	3,186,814	3,244,419	3,653,968	3,130,408	2,943,003	3,515,742	2,045,740	3,620,085	3,996,445
Total Albemarle County Public Schools	120,838,787	121,263,091	127,342,552	166,898,581	115,403,058	138,110,148	153,548,327	183,989,916	148,440,821	184,585,292
Component Unit - Economic Development Authority:										
Unrestricted revenues from use of money and property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,595
Miscellaneous	-	-	-	-	-	-	-	-	-	4,532
Total Economic Development Authority	-	-	-	-	-	-	-	-	-	34,127
Total Component Unit Activities	120,838,787	121,263,091	127,342,552	166,898,581	115,403,058	138,110,148	153,548,327	183,989,916	148,440,821	184,619,419
Changes in Net Position										
Albemarle County Public Schools	$ (933,647)	$ (2,357,370)	$ 1,698,377	$ 26,301,608	$ (21,431,548)	$ (2,484,150)	$ (3,130,165)	$ 37,623,335	$ 4,574,499	$ 5,034,382
Economic Development Authority	-	-	-	-	-	-	-	-	-	152,200
Component unit activities	$ (933,647)	$ (2,357,370)	$ 1,698,377	$ 26,301,608	$ (21,431,548)	$ (2,484,150)	$ (3,130,165)	$ 37,623,335	$ 4,574,499	$ 5,186,582

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

GOVERNMENT ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	General Property Tax*	Local Sales and use Tax*	Meals Tax*	Consumer Utility Tax*	Motor Vehicle License Tax*	Bank Franchise Tax*	Recordation and Wills Tax*	Business License Tax*	Utility Company Tax*	Seller's Tax*	Other*	Total*
2014	$ 145,023	$ 13,573	$ 6,362	$ 4,346	$ 3,673	$ 736	$ 1,806	$ 10,160	$ 211	$ 539	$ 2,682	$ 189,111
2015	152,303	14,406	6,951	4,440	3,566	791	1,668	10,640	244	468	2,781	198,258
2016	165,116	15,093	7,415	4,404	3,733	836	1,679	11,692	260	456	3,167	213,851
2017	174,981	16,229	7,971	4,463	3,911	1,035	2,308	12,626	224	712	3,203	227,663
2018	184,917	16,859	8,580	4,608	3,925	1,105	1,830	13,231	-	587	3,071	238,713
2019	195,223	16,997	8,850	4,571	4,224	1,321	1,944	13,481	-	623	2,738	249,972
2020	206,275	18,493	7,909	4,493	3,945	1,043	2,063	13,835	-	603	2,298	260,957
2021	216,284	19,807	7,332	4,541	4,007	1,326	3,203	13,811	-	811	2,207	273,329
2022	233,882	22,446	10,218	4,761	4,009	1,397	2,972	15,355	-	863	3,886	299,789
2023	256,942	23,967	16,893	4,835	4,141	1,512	2,239	16,809	-	760	6,772	334,870

**amounts expressed in thousands*

COUNTY OF ALBEMARLE, VIRGINIA

FUND BALANCES OF GOVERNMENTAL FUNDS (1)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	$ 88,554	$ 118,063	$ 110,587	$ 105,800	$ 157,766	$ 362,776	$ 194,447	$ 118,095	$ 297,510	$ 1,862,816
Committed	2,497,481	3,150,271	728,372	1,065,746	1,049,115	2,994,658	2,086,684	1,106,902	11,495,856	2,696,762
Education - School Reserve	-	-	1,397,998	1,975,506	3,177,769	3,348,919	8,544,517	8,602,629	2,146,237	9,161,933
Unassigned	34,034,836	36,587,173	45,696,114	53,158,067	79,108,973	49,071,604	48,890,972	71,692,134	60,299,825	77,605,070
Total general fund	$ 36,620,871	$ 39,855,507	$ 47,933,071	$ 56,305,119	$ 83,493,623	$ 55,777,957	$ 59,716,620	$ 81,519,760	$ 74,239,428	$ 91,326,581
All other governmental funds										
Nonspendable										
Loan receivable	$ 60,916	$ 48,732	$ 36,548	$ 24,364	$ 12,180	$ -	$ -	$ -	$ 299	$ 605,374
Restricted										
Grant compliance	920,676	1,049,763	1,966,148	3,827,416	2,257,492	3,147,427	5,064,435	5,074,713	8,170,829	10,484,407
Capital projects	-	-	-	-	-	-	-	9,237,024	1,645,949	113,743
Debt service funds	12,019,324	648,765	12,019,324	-	-	-	-	-	-	-
Committed										
Capital projects funds	20,052,818	17,102,971	33,972,293	37,441,136	36,649,886	24,892,624	13,330,475	8,146,445	27,287,783	36,068,342
Storm water projects	-	-	-	-	3,906,158	3,212,165	3,610,836	3,486,321	3,805,915	3,084,699
Special revenue	456,314	1,183,677	2,535,230	3,084,375	6,067,502	7,416,208	5,902,368	4,799,387	10,010,254	8,886,501
Unassigned	-	-	-	-	-	-	(33,349)	(33,349)	-	-
Total all other governmental funds	$ 33,510,048	$ 20,033,908	$ 50,529,543	$ 44,377,291	$ 48,893,218	$ 38,668,424	$ 27,874,765	$ 30,710,541	$ 50,921,029	$ 59,243,066

Table 5

COUNTY OF ALBEMARLE, VIRGINIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
General property taxes	$ 144,087,055	$ 154,708,440	$ 166,478,084	$ 174,497,297	$ 183,727,785	$ 195,682,664	$ 204,574,224	$ 216,599,323	$ 232,723,027	$ 256,942,007
Other local taxes	44,088,502	45,955,663	48,735,933	52,681,579	53,796,125	54,748,856	54,682,066	57,044,586	65,907,339	78,773,923
Permits, privilege fees, and regulatory licenses	1,977,406	1,991,189	2,790,331	2,770,923	3,123,406	2,624,646	2,778,338	2,816,383	3,626,114	3,354,586
Fines and forfeitures	668,593	609,085	472,385	440,281	487,221	515,342	410,333	199,460	310,213	418,241
Revenue from use of money and property	685,900	964,609	1,607,884	1,600,779	2,324,936	3,033,072	2,342,399	1,588,670	1,596,044	6,116,469
Charges for services	3,289,771	3,356,766	3,712,549	3,716,333	3,849,659	3,959,081	3,752,526	3,523,231	4,233,153	4,682,346
Miscellaneous	542,680	1,362,906	481,659	282,926	1,774,308	1,042,099	3,103,735	1,488,500	3,832,495	2,708,973
Recovered costs	539,548	1,983,051	421,454	386,582	1,020,571	536,259	805,841	993,728	8,327,540	1,872,395
Other revenue	-	-	-	-	-	-	-	-	-	222,156
Intergovernmental:										
Contribution from School Board	3,269,415	2,761,462	3,303,104	2,654,940	3,486,080	2,453,243	7,765,466	6,475,479	2,141,183	9,461,582
Commonwealth	34,581,788	35,248,698	36,374,530	36,176,577	36,128,492	37,889,849	36,319,422	36,519,672	37,319,722	37,635,035
Federal	10,177,967	11,401,555	12,301,788	10,980,211	10,963,395	11,183,446	13,115,191	30,065,485	17,321,813	26,257,794
Total revenues	$ 243,908,625	$ 260,343,424	$ 276,679,701	$ 286,188,428	$ 300,681,978	$ 313,668,557	$ 329,649,541	$ 357,314,517	$ 377,338,643	$ 428,445,507
EXPENDITURES										
General government administration	$ 11,840,369	$ 12,111,158	$ 12,362,302	$ 12,904,062	$ 14,168,560	$ 14,784,312	$ 16,702,735	$ 19,417,583	$ 20,487,030	$ 23,161,610
Judicial administration	5,254,482	5,514,630	5,654,087	5,736,153	5,878,164	6,397,668	6,768,196	6,602,031	6,298,624	6,926,542
Public safety	37,341,188	38,481,310	39,752,946	40,684,363	42,667,290	44,490,384	48,044,334	48,067,465	53,046,814	61,920,156
Public works	3,712,675	3,925,228	4,392,018	4,545,067	4,938,047	5,834,937	6,230,396	8,396,765	7,741,015	8,597,386
Health and welfare	25,606,744	26,479,644	27,773,579	27,482,404	28,156,350	31,177,577	29,911,276	35,905,960	34,732,123	42,613,648
Education - local community college	24,962	24,024	23,510	23,981	164,934	164,255	164,008	24,048	-	-
Education - public school system	108,788,973	121,104,651	129,982,080	165,748,099	124,103,485	144,618,369	153,197,759	199,661,229	159,650,640	169,090,100
Parks, recreation, and cultural	6,608,734	7,085,748	7,370,670	7,662,290	8,083,543	8,562,105	9,029,681	8,902,007	8,826,407	10,529,219
Community development	26,145,565	26,536,309	26,392,792	26,553,188	28,309,648	29,729,320	28,419,242	34,470,950	30,511,268	34,793,444
Contingencies	726,253	605,241	632,799	621,493	605,666	548,509	523,728	596,120	1,179,255	578,652
Capital outlay	16,440,284	20,247,892	18,537,609	14,557,174	17,661,822	11,299,957	14,086,054	13,329,064	18,223,559	21,420,862
Debt service										
Principal	11,610,667	12,174,372	12,463,533	14,273,729	14,934,960	15,845,231	16,031,534	36,357,876	36,081,559	15,995,000
Interest and other fiscal charges	6,995,720	6,573,486	7,417,869	7,991,378	9,355,077	8,156,393	7,395,597	7,866,853	7,992,119	7,338,886
Total expenditures	$ 261,096,616	$ 280,863,693	$ 292,755,794	$ 328,783,381	$ 299,027,546	$ 321,609,017	$ 336,504,540	$ 419,597,951	$ 384,770,413	$ 402,965,505
Excess (deficit) of revenues over (under) expenditures	$ (17,187,991)	$ (20,520,269)	$ (16,076,093)	$ (42,594,953)	$ 1,654,432	$ (7,940,460)	$ (6,854,999)	$ (62,283,434)	$ (7,431,770)	$ 25,480,002
Other financing sources (uses)										
Transfers in	25,312,112	24,641,685	44,275,579	47,256,574	63,175,156	41,695,980	40,657,495	54,371,006	79,343,074	59,570,695
Transfers out	(25,526,460)	(24,641,685)	(44,275,579)	(47,663,276)	(63,125,156)	(41,695,980)	(40,657,495)	(54,451,006)	(79,596,085)	(59,641,507)
Bonds issued	25,550,000	9,630,000	38,880,000	52,675,000	-	-	-	74,945,000	16,920,000	-
Premium on bonds issued	1,954,592	-	4,398,732	4,565,775	-	-	-	12,057,353	3,394,937	-
Total other financing sources (uses)	27,290,244	9,630,000	43,278,732	56,834,073	50,000	-	-	86,922,353	20,061,926	(70,812)
Net change in fund balances	$ 10,102,253	$ (10,890,269)	$ 27,202,639	$ 14,239,120	$ 1,704,432	$ (7,940,460)	$ (6,854,999)	$ 24,638,919	$ 12,630,156	$ 25,409,190
Debt service as a percentage of noncapital expenditures	7.43%	7.03%	7.01%	6.96%	8.37%	7.58%	7.13%	10.70%	11.67%	5.93%

The Notes to Financial Statements are an integral part of this Statement.

COUNTY OF ALBEMARLE, VIRGINIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Real Estate (3)	Personal Property (1, 2)	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate (4)
2014	$ 14,931,100	$ 932,217	$ 333,529	$ 16,196,846	$ 1.022
2015	15,467,281	951,629	358,256	16,777,166	1.000
2016	16,059,837	998,813	388,154	17,446,804	0.983
2017	16,719,336	1,040,481	391,501	18,151,318	0.972
2018	17,543,064	1,046,359	397,434	18,986,857	0.981
2019	18,459,194	1,098,864	437,903	19,995,961	0.975
2020	19,457,789	1,090,069	449,544	20,997,402	0.978
2021	20,300,083	1,200,642	473,631	21,974,356	0.983
2022	21,673,254	1,472,874	514,123	23,660,251	0.988
2023	25,463,385	1,894,432	616,117	27,973,934	1.028

(1) Personal property includes personal property, business personal property, machinery/tools, and mobile homes

(2) Personal property, machinery and tools, and public service is assessed at 100% fair market value

(3) Real estate net of exemptions for land use deferral and tax relief for the elderly/disabled

(4) The total direct tax rate is calculated using the weighted-average method

COUNTY OF ALBEMARLE, VIRGINIA

PROPERTY TAX RATES (1) (2)
Last Ten Fiscal Years

Fiscal Year	Real Estate (3)	Personal Property (1, 2)	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate (4)
2014	.766/.799	4.28/4.28	.766/.799	4.28/4.28	1.022
2015	.799/.819	4.28/4.28	.799/.819	4.28/4.28	1.000
2016	.819/.839	4.28/4.28	.819/.839	4.28/4.28	0.983
2017	.839/.839	4.28/4.28	.839/.839	4.28/4.28	0.972
2018	.839/.839	4.28/4.28	.839/.839	4.28/4.28	0.981
2019	.839/.854	4.28/4.28	.839/.854	4.28/4.28	0.975
2020	.854/.854	4.28/4.28	.854/.854	4.28/4.28	0.978
2021	.854/.854	4.28/4.28	.854/.854	4.28/4.28	0.983
2022	.854/.854	4.28/3.42	.854/.854	4.28/3.42	0.988
2023	.854/.854	4.28/3.42	.854/.854	4.28/3.42	0.988

(1) Per $100 of assessed value

(2) Includes 1st Half Rate/2nd Half Rate

(3) Mobile homes taxed as personal property using the Real Estate tax rate

(4) The total direct tax rate is calculated using the weighted-average method

COUNTY OF ALBEMARLE, VIRGINIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND THE PERIOD NINE YEARS PRIOR (3)
(Dollar Amounts Expressed in Thousands)

	Fiscal Year 2023			Fiscal Year 2014		
Taxpayer	**2023 Assessed Valuation (1)**	**Rank**	**% of Total Assessed Valuation (2)**	**2014 Assessed Valuation (3)**	**Rank (3)**	**% of Total Assessed Valuation**
University Of Virginia Foundation -95 Parcels (4)	$ 226,769	1	0.92%	$ 266,332	1,6	1.62%
Westminster - Canterbury Of The Blueridge	153,238	2	0.62%	133,109	2	0.91%
5Th Street Station Ventures LLC	114,955	3	0.47%	-		-
Reserve At Belvedere LLC	89,344	4	0.36%	-		-
Oct Stonefield Property Owner LLC	87,957	5	0.36%	-		-
Charlottesville Crossing Propco LLC (Abington Crossing Apts)	81,962	6	0.33%	-		-
Brookhill Apartments LLC	79,925	7	0.32%	-		-
Maalp Stonefield Commons LLC	76,610	8	0.31%	-		-
Avemore Associates LP	73,294	9	0.30%	40,339	10	0.25%
Berkmar Apartments LLC	72,448	10	0.29%	-		-
Shopping Center Associates	-		-	72,746	3	0.45%
Albemarle Place EAAP, LLC	-		-	63,505	4	0.39%
JDM II SF National LLC	-		-	55,888	5	0.35%
March Mountain Properties , LLC	-		-	46,656	7	0.29%
SCT Rio Hill. LLC	-		-	46,478	8	0.29%
Columbia II Hollymeade LLC	-		-	40,652	9	0.25%
	$ 1,056,502		4.28%	$ 765,705		4.80%

(1) Based on January 1, 2023, real estate tax assessment records

(2) Average taxable Land Book total assessed value from 2022 and 2023 tax years. (see table 11)

(3) Based on January 1, 2014, real estate tax assessment records

(4) University Real Estate Foundation assessments combined beginning FY 2015

COUNTY OF ALBEMARLE, VIRGINIA

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Date (1)	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy Amount		Collected within the Fiscal Year of the Levy Percentage of Levy		Collections in Subsequent Years	Total Collections to Date Amount	Total Collections to Date Percentage of Levy
2014	$ 158,501,037	$ 152,862,649		96.44%		$ 5,525,134	$ 158,387,783	99.93%
2015	167,821,725	162,541,808		96.85%		5,174,982	167,716,790	99.94%
2016	177,465,143	171,967,912		96.90%		5,395,103	177,363,015	99.94%
2017	186,788,335	181,098,238		96.95%		5,390,847	186,489,085	99.84%
2018	193,611,195	189,968,058		98.12%		3,271,350	193,239,408	99.81%
2019	205,017,770	199,964,487		97.54%		4,314,891	204,279,378	99.64%
2020	214,696,751	196,210,787	(2)	91.39%	(2)	17,319,341	213,530,128	99.46%
2021	223,531,251	213,417,187	(2)	95.48%	(2)	7,172,673	220,589,860	98.68%
2022	239,424,984	228,405,312	(2)	95.40%	(2)	2,054,875	230,460,187	96.26%
2023	254,943,986	251,766,996		98.75%		-	251,766,996	98.75%

(1) Net of Land Use and Tax Relief

(2) The due date for the 1st half installment of 2020 taxes was moved from June 5th to June 30th due to COVID-19. As a result, there was a significant increase in tax collections after year end.

COUNTY OF ALBEMARLE, VIRGINIA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities							
Fiscal Year	General Obligation Bonds	School Pub. Facility Bonds	County Pub. Facility Bonds	Unamortized Bond Premium	Virginia Resource Authority	Total Outstanding Debt	Percentage of Personal Income (1)	Per Capita (1)
2014	$ 81,055,000	$ 13,009,414	$ 50,410,585	$ 6,972,293	$ 322,794	$ 151,770,086	1.95%	1,477
2015	52,630,000	12,542,312	46,797,688	6,037,843	283,423	118,291,266	1.69%	1,430
2016	64,970,000	34,075,077	69,381,923	9,231,886	242,890	177,901,776	1.94%	1,693
2017	87,575,000	44,572,048	74,722,952	12,498,227	201,161	219,569,388	2.34%	2,077
2018	79,450,000	42,519,246	70,008,755	10,774,451	158,200	202,910,652	1.93%	1,884
2019	71,930,000	40,296,516	63,950,483	9,260,373	113,971	185,551,343	1.59%	1,708
2020	64,670,000	37,934,072	57,586,927	7,884,707	68,437	168,144,143	1.38%	1,538
2021	57,515,000	79,709,164	61,600,837	18,023,808	21,559	216,870,368	1.78%	1,962
2022	50,430,000	74,666,768	54,588,233	18,430,616	-	198,115,617	1.45%	1,745
2023	44,385,000	69,460,588	49,844,413	15,849,965	-	179,539,966	1.23%	1,555

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics - Table 13

COUNTY OF ALBEMARLE, VIRGINIA

PERCENTAGE OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	Real Estate Assessed Value (1)	Net Bonded Debt (3)	Net General Bonded Debt as % of Assessed Value	Net Bonded Debt per Capita (2)
2014	$ 14,931,099,687	$ 82,696,120	0.55%	$ 805
2015	15,467,280,583	84,021,531	0.54%	810
2016	16,059,836,557	66,133,135	0.41%	630
2017	16,719,336,669	91,218,535	0.55%	863
2018	17,543,064,000	79,450,000	0.45%	738
2019	18,459,193,250	71,930,000	0.39%	662
2020	19,457,789,000	64,670,000	0.33%	592
2021	20,300,083,000	57,515,000	0.28%	520
2022	21,673,254,000	50,430,000	0.23%	444
2023	25,463,385,000	44,385,000	0.17%	384

(1) Real estate net of exemptions for land use deferral and tax relief for the elderly/disabled.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 13.

(3) Includes all long-term general obligation bonded debt and literaray fund loans only.

Table 12

COUNTY OF ALBEMARLE, VIRGINIA

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	$ 1,493,109,969	$ 1,546,728,058	$ 1,605,983,656	$ 1,671,933,667	$ 1,754,306,200	$ 1,845,919,325	$ 1,945,778,900	$ 2,030,008,300	$ 2,167,325,400	$ 2,546,338,500
Total net debt applicable to limit	82,696,120	84,021,531	66,133,135	91,218,535	79,450,000	71,930,000	64,670,000	57,515,000	50,430,000	44,385,000
Legal debt margin	$ 1,410,413,849	$ 1,462,706,527	$ 1,539,850,521	$ 1,580,715,132	$ 1,674,856,200	$ 1,773,989,325	$ 1,881,108,900	$ 1,972,493,300	$ 2,116,895,400	$ 2,501,953,500
Total net debt applicable to the limit as a percentage of debt limit	5.54%	5.43%	4.12%	5.46%	4.53%	3.90%	3.32%	2.83%	2.33%	1.74%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	$ 25,463,385,000
Debt limit (10% of total assessed value)	$ 2,546,338,500
Net debt applicable to limit	44,385,000
Legal debt margin	$ 2,501,953,500

COUNTY OF ALBEMARLE, VIRGINIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)(5)	Per Capita Personal Income (2)(5)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2014	102,731	$ 7,764,329,000	$ 52,693	39.0	13,420	4.8%
2015	103,707	8,795,194,000	58,603	38.4	13,680	4.7%
2016	105,051	9,182,721,000	60,294	37.7	13,767	3.6%
2017	105,715	9,375,633,000	60,964	38.2	13,790	3.7%
2018	107,697	10,531,351,000	67,630	38.1	13,927	3.0%
2019	108,639	11,702,008,000	74,613	38.6	13,994	2.7%
2020	109,330	12,160,700,000	77,650	39.7	14,435	2.9%
2021	110,545	12,160,701,000	77,657	39.7	13,532	3.9%
2022	113,535	13,670,666,000	85,867	40.8	13,749	2.8%
2023	115,495	14,583,689,000	91,201	38.6	13,970	2.7%

(1) U.S. Census Burea (estimates based on July 1)

(2) Bureau of Economic Analysis (estimates based on prior calendar year)

(3) Albemarle County Public Schools

(4) Virginia Employment Commission

(5) Includes the City of Charlottesville

COUNTY OF ALBEMARLE, VIRGINIA

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	Fiscal Year 2023		Fiscal Year 2014	
Employer	**Rank**	**Employees**	**Rank**	**Employees**
University of Virginia / Blue Ridge Hospital	1	1,000 +	1	1,000 +
County of Albemarle	2	1,000 +	2	1,000 +
Sentara Healthcare (Formerly Martha Jefferson)	3	1,000 +	3	1,000+
U.S. Department of Defense	4	500 to 999	5	500 to 999
Crutchfield Corporation	5	500 to 999		
Walmart	6	250 to 499	8	250 to 499
Piedmont VA Community College	7	250 to 499	7	500 to 999
Northup Grumman Corporation	8	250 to 499	6	500 to 999
Rmc Events	9	250 to 499		
Atlantic Coast Athletic Club	10	250 to 499		
State Farm Mutual Automobile Insurance			4	1,000 +
GE Fanuc Automation Manufacturing			9	250 to 499
Athena Innovative Solutions Inc			10	250 to 499

Source: Virginia Employment Commission

COUNTY OF ALBEMARLE, VIRGINIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT AUTHORIZED POSITIONS BY FUNCTION
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administration										
Board of Supervisors	2.0	2.0	2.5	2.5	2.5	2.8	3.0	3.0	3.0	4.0
County Executive (1)	8.0	8.0	9.5	9.5	9.5	14.0	20.8	20.8	20.5	26.8
Yancey School Community Center Grant	-	-	-	-	-	-	-	1.0	1.0	-
Human Resources	1.0	1.0	1.0	1.0	2.5	2.5	1.0	3.0	15.0	15.0
County Attorney	8.0	8.0	8.0	8.0	9.0	9.0	90.0	9.0	10.0	10.0
Finance (1)	53.3	54.8	55.8	55.8	58.8	60.8	62.8	62.8	73.1	71.9
F&B-Capital Fund	-	-	-	-	-	-	-	-	-	4.5
F&B-Health Fund	-	-	-	-	-	-	-	-	-	0.8
F&B-Grant Funded	-	-	-	-	-	-	-	-	-	1.0
Information Technology	21.0	21.0	22.0	22.0	21.5	23.0	27.0	27.0	29.0	35.0
Board of Elections (Registrar)	4.5	4.8	4.8	4.8	4.8	4.8	4.8	5.8	5.8	5.8
Judicial										
Circuit Court	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Clerk of the Circuit Court	11.0	11.0	11.0	11.5	11.5	11.5	15.5	12.5	12.5	12.5
Sheriff	23.0	23.0	23.0	23.0	23.0	25.0	26.0	27.0	27.0	27.0
Commonwealth's Attorney	9.5	11.5	11.5	11.5	12.5	12.5	13.5	13.5	15.5	15.5
Public Safety										
Police	151.5	156.5	163.5	163.5	166.5	169.5	173.0	173.0	180.5	182.5
Victim Witness	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Crime Analysis Grant	-	1.0	1.0	1.0	-	-	-	-	-	-
Problem-Oriented Policing	-	-	1.0	1.0	1.0	1.0	-	-	-	-
Fire/Rescue	96.0	98.6	109.0	109.0	113.0	119.5	121.5	142.5	139.0	147.0
FEMA Grant Fund #1 (4)	9.0	8.4	-	-	-	-	-	10.0	20.0	10.0
FEMA Grant Fund #2										10.0
Public Works (5)										
Facilities & Environmental Services	22.0	23.0	26.3	26.3	27.3	28.3	28.3	29.3	29.5	32.3
Facilities - Project Mgmt.	9.0	9.0	8.5	8.5	9.0	9.0	11.5	11.5	11.5	11.5
Human Development										
Social Services	107.3	110.1	115.2	117.2	126.7	135.3	137.8	137.8	151.8	158.0
Housing Fund										1.0
Bright Stars	18.7	18.7	21.1	21.1	21.1	23.5	23.5	23.5	1.0	-
Parks, Recreation, and Culture										
Parks and Recreation	17.0	17.0	17.0	17.0	17.8	19.8	21.8	21.8	21.0	25.0
Towe Park	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Community Development										
Community Development Department	58.0	63.5	66.5	68.5	72.5	76.5	75.5	75.5	76.5	77.5
Economic Development Office (3)	-	2.5	2.5	2.5	3.0	3.0	3.0	3.0	1.0	1.0
Housing	6.0	6.0	6.0	6.0	-	-	-	-	4.0	4.0
TJ Soil and Water Conservation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Totals	642.8	666.4	693.7	698.2	720.5	758.3	868.3	821.3	856.2	898.6

(1) Management & Budget relocated from County Executive to Finance FY 09/10
(2) Management & Budget relocated from Finance to Independent Office FY 10/11
(3) Independent Office Established FY 14/15
(4) FEMA Grant Ended - Positions Incorporated into Fire/Rescue FY 15/16
(5) General Services & Facilities Development Combined & Restructured FY 15/16

COUNTY OF ALBEMARLE, VIRGINIA

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police department:										
Physical arrests	3,035	3,268	3,157	2,753	2,278	3,120	2,094	2,855	1,766	2,630
Traffic violations	9,991	10,251	6,939	9,243	9,083	9,363	6,048	3,698	10,091	12,748
Fire and rescue:										
Number of calls answered	12,385	13,053	13,507	13,263	14,336	15,152	15,302	14,329	16,855	17,208
Zoning & current development										
New residential construction (unit #)	468	474	449	592	664	661	909	701	409	670
New commercial construction (unit #)	36	29	42	48	53	46	26	11	2	14
Health and welfare										
Department of Social Services:										
Caseload	17,519	17,336	16,612	N/A	13,647	21,229	15,682	15,682	16,944	22,899
Culture and recreation										
Parks and recreation:										
Middle school sports program participants	1,074	1,114	1,106	1,036	1,076	1,002	951	200	1,049	1,129
Fee-based classes/camps	1,583	1,899	1,767	1,850	2,758	3,095	766	394	1,018	936
Summer playground program	382	347	298	293	365	418	-	600	325	280
Men's basketball	300	340	340	350	320	320	320	-	320	246
Component Unit - School Board										
Education:										
School enrollment	13,420	13,680	13,737	13,790	13,927	14,013	14,435	13,532	13,749	13,970
Number of central office instructors	42	51	63	66	84	74	88	99	74	119
Number of elementary instructors	571	571	562	568	580	590	608	602	614	626
Number of secondary instructors	615	610	608	616	626	629	647	694	656	673

Source: Individual county departments

COUNTY OF ALBEMARLE, VIRGINIA

CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administration vehicles	7	7	7	9	9	10	12	12	10	10
Judicial										
Sherriff's department patrol units	43	40	39	44	44	49	49	49	60	61
Public safety										
Police department patrol units	190	227	220	223	223	243	244	244	252	283
Fire/Rescue department vehicles	51	54	52	63	63	64	62	62	85	95
Community Development										
Economic Development (2)	-	-	-	1	1	8	8	8	1	1
Building codes:										
Administration	3	6	3	4	4	4	4	4	4	4
Inspections vehicles	11	10	13	14	14	14	14	14	18	18
Public works										
General Services:										
General maintenance vehicles	7	8	8	11	11	11	10	10	10	11
Facilities Development	3	3	3	3	3	3	3	3	6	6
Pool vehicles	11	12	12	11	11	11	11	11	11	11
Health and welfare										
Social Services vehicles	14	16	16	13	13	13	14	14	15	15
Parks and recreation										
Community centers	3	3	3	3	4	4	4	4	4	4
Vehicles	29	29	29	29	29	29	34	34	28	29
Parks (1)	38	38	38	38	39	39	39	39	39	39
Parks acreage (1) (3)	5044	5044	5044	5044	6234	6234	6234	6234	6234	6234
Tennis courts	36	36	36	36	36	36	36	36	36	36
Community development										
Housing vehicles	1	1	1	1	1	1	1	1	2	2

Source: Individual county departments

(1) Includes schools which serve as community and district parks

(2) New to Vehicle Inventory FY 16/17

(3) FY18 Parks acreage increase attributable to the County's signing of a lease for the Biscuit Run Park

COMPLIANCE SECTION

BROWN EDWARDS
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Members of the Board of Supervisors
County of Albemarle, Virginia

We have audited, 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 Counties, Cities and Towns,* and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Albemarle, Virginia (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 14, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, as items 2023-001, 2023-002, and 2023-003 that we consider to be significant deficiencies.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards,* which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004 and 2023-005.**

County's Response to Findings

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

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 14, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the Board of Supervisors
County of Albemarle, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the County of Albemarle, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County of Albemarle, Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Albemarle and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of County of Albemarle, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County of Albemarle's federal programs.

Report on Compliance for Each Major Federal Program (Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Albemarle, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Albemarle, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Albemarle, Virginia's internal control over compliance Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. **Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.**

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 14, 2023

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

STATE COMPLIANCE MATTERS

Code of Virginia
Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Comprehensive Services Act
Uniform Disposition of Unclaimed Property Act

State Agency Requirements
Education
Social Services
Fire Programs Aid to Localities

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

COUNTY OF ALBEMARLE, VIRGINIA
Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	
Primary Government:				
U.S. Department of Agriculture:				
Pass-Through Payments:				
Virginia Department of Social Services				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10122,10123,40122,40123,50122,50123		$ 2,575,730
Total U.S. Department of Agriculture				2,575,730
U.S. Department of Health and Human Services:				
Pass-Through Payments:				
Virginia Department of Social Services				
Guardianship Assistance	93.090	85528,85828		504
Title IV-E Prevention Program	93.472	84951,85551,85851		20,614
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950121,950122		64,598
CCDF Cluster:				
Temporary Assistance for Needy Families	93.558	400122, 400123	$ 466,486	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760122, 760123	99,402	
Total CCDF Cluster:				565,888
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	500122, 500123		30,174
Low-Income Home Energy Assistance	93.568	600422, 600423		83,463
Chafee Education and Training Vouchers Program	93.599	9160121,9160122		3,071
Stephanie Tubbs Jones Child Welfare Services Program	93.645	85531,84931		343
Foster Care - Title IV-E	93.658	1100122, 1100123		1,008,035
Adoption Assistance	93.659	1120122, 1120123		1,289,833
Social Services Block Grant	93.667	1000122, 1000123		524,017
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121,9150122,9152121		15,101
Elder Abuse Prevention Interventions Programs	93.747	89601,89805		12,552
Children's Health Insurance Program	93.767	540122, 540123		27,652
Medical Assistance Program	93.778	1200122, 1200123		1,726,300
Total U.S. Department of Health and Human Services				5,372,145
U.S. Department of Housing and Urban Development:				
Direct Payments:				
Section 8 Project Cluster:				
Lower Income Housing Assitance Program Section 8 Moderate Rehabilitation	14.856	N/A		307,582
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	3,056,173	
Mainstream Vouchers	14.879	N/A	791,784	
Total Section 8 Project Cluster:				3,847,957
Pass-Through Payments:				
Virginia Department of Housing and Community Development				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Unknown		869,368
Total U.S. Department of Housing and Urban Development				5,024,907
U.S. Department of the Interior:				
Direct Payments:				
Payments in Lieu of Taxes	15.226	Unknown		46,593
Total U.S. Department of the Interior				46,593

COUNTY OF ALBEMARLE, VIRGINIA
Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2023 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
Primary Government (Continued):				
U.S. Department of Justice:				
Direct Payments:				
State Criminal Alien Assistance Program	16.606			$ 21,663
Pass-Through Payments:				
Virginia Department of Criminal Justice Services				
Crime Victim Assistance	16.575	Unknown		94,028
Edward Byrne Memorial Justice Assistance Grant Program	16.738	39001-41000		8,989
Total U.S. Department of Justice				124,680
U.S. Department of Treasury:				
Direct Payments:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		10,594,327
Local Assistance and Tribal Consistency Fund	21.032	N/A		100,000
Pass-Through Payments:				
Virginia Tourism Commission				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		464,999
City of Charlottesville				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		126,044
Total U.S. Department of Treasury				11,285,370
Primary Government: (Continued)				
U.S. Department of Transportation:				
Pass-Through Payments:				
Virginia Department of Motor Vehicles				
Highway Planning and Construction	20.205	Unknown		577,184
Total U.S. Department of Transportation				577,184
U.S. Department of Homeland Security:				
Direct Payments:				
Assistance to Firefighters Grant	97.044	Unknown		-
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Unknown		1,391,815
Pass-Through Payments:				
Virginia Department of Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown		39,331
Emergency Management Performance Grants	97.042	Unknown		27,702
Total U.S. Department of Homeland Security				1,458,848
Total Federal Expenditures - Primary Government				26,465,457
Component Unit - School Board:				
U.S. Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Virginia Department of Education				
School Breakfast Program	10.553	17901-40591, 40253	$ 768,138	
National School Lunch Program	10.555	17901-40623, 40254	3,331,448	
Summer Food Service Program for Children	10.555	N/A	59,907	
Total Child Nutrition Cluster:				4,159,493
Total U.S. Department of Agriculture				4,159,493

COUNTY OF ALBEMARLE, VIRGINIA
Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2023 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
Component Unit - School Board (Continued):				
U.S. Department of Education:				
Pass-Through Payments:				
Virginia Department of Education				
Title I Grants to Local Educational Agencies	84.010	17901-42901		$ 1,706,655
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	Unknown		16,689
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	17901-43071	$ 2,956,550	
COVID-19 Special Education Grants to States	84.027	17901-40287	278,983	
Special Education Preschool Grants	84.173	17901-62521	74,288	
Total Special Education Cluster (IDEA):				3,309,821
Adult Education - Basic Grants to States	84.002	17901-42801		-
Migrant Education State Grant Program	84.011	17901-42910		108,624
Career and Technical Education - Basic Grants to States	84.048	17901-61095		146,372
Migrant Education Coordination Program	84.144	17901-61399		6,104
English Language Acquisition State Grants	84.365	17901-60512		127,266
Student Support and Academic Enrichment Program	84.424	Unknown		97,481
Education Stabilization Fund	84.425	Unknown		3,223,350
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	17901-61480		282,199
Pass-Through Payments:				
William and Mary University				
Education for Homeless Children and Youth	84.196	17901-42940		116,020
Education Stabilization Fund	84.425	Unknown		22,905
Total U.S. Department of Education				9,163,486
Centers for Disease Control and Prevention:				
Pass-Through Payments:				
Virginia Department of Education				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Unknown		157,350
Total Centers for Disease Control and Prevention				157,350
U.S. Department of Treasury:				
Pass-Through Payments:				
Virginia Department of Education				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown		2,547,840
Total U.S. Department of Treasury				2,547,840
Total Federal Expenditures - Component Unit- School Board				16,028,169
Total Expenditures of Federal Awards				$ 42,493,625

Notes to the Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the schedule) includes the federal award activity of the County of Albemarle, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the reporting requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Albemarle, Virginia, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Albemarle, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate

The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 6 - Period of Reporting

The amount reported for Special Education on the accompanying schedule of expenditures includes $189,237 of expenses incurred in fiscal year 2022 but not requested for reimbursement until fiscal year 2024. The related expenses had a deadline to use through September 30, 2023.

COUNTY OF ALBEMARLE, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **Three significant deficiencies and no material weaknesses** relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major programs**.
7. The programs tested as major were:

Name of Program	Assistance Listing Number
Coronavirus State and Local Fiscal Recovery Funds	21.027
Title I Grants to Local Educational Agencies	84.010
Special Education - Grants to States (IDEA, Part B)	84.027
COVID-19 Special Education - Grants to States (IDEA, Part B)	84.027
Special Education – Preschool Grants (IDEA Preschool)	84.173
COVID-19 – Elementary and Secondary School Emergency Relief	84.425
Adoption Assistance	93.659
Staffing for Adequate Fire and Emergency Response	97.083

8. The threshold for distinguishing Type A and B programs was **$1,127,809**.
9. The County was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001: School Grant Reimbursements (Significant Deficiency)

Condition:

Reimbursement requests for qualifying grant expenditures for Title I and Special Education programs were not made until four months after the fiscal year end.

Criteria:

Reimbursement requests should be submitted monthly or quarterly to assist in accurate reporting and budgeting for the School Board.

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2023-001: School Grant Reimbursements (Continued)

Cause:

Allocation of payroll expenditures and related coding of benefit costs for these programs required additional oversight after a transition in payroll and human resources information systems.

Effect:

Regular internal reporting was done without accurate consideration of revenues expected from these programs. Additionally, infrequent reporting could result in external reporting that may not accurately reflect revenues to be obtained through these awards. The lack of regular reporting also resulted in the misidentification of an award period which required subsequent follow-up in order to submit eligible expenditures.

Recommendation:

We recommend that reimbursement requests for these programs be submitted quarterly, or monthly if practicable, in order to allow the local government to accurately make and reflect changes in tracking and reporting of program costs and related revenues reimbursed to the School Board.

Views of Responsible Officials and Planned Corrective Action:

The County and Schools recently implemented a new payroll system during the fiscal year. As the system continues to stabilize, expenditure allocation and benefit cost reporting will continue to improve. A plan is in place to improve the time needed to review these costs and submit requests on an ongoing basis.

2023-002: Capital Asset Reporting (Significant Deficiency)

Condition:

Construction in progress (CIP) expenditures and other aspects of capital asset reporting required significant corrections to identify all capitalizable projects and record-related activity.

Criteria:

Capital asset reporting is a key accounting function with substantial impacts on the County's annual reporting. Projects should be recorded reflective of costs expended and completed projects should be placed in service accurately upon completion and use of projects.

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2023-002: Capital Asset Reporting (Continued)

Cause:

Turnover in key functions over-reporting resulted in additional oversight and time required to ensure accurate and complete recording of capital expenditures.

Effect:

Projects were placed in service outside of an accurate time frame for when the project was completed. Some projects were not initially recorded or reflected in the construction-in-progress schedule for periods in which substantial work was completed on these projects.

Recommendation:

We recommend additional reviews over capital asset reporting to ensure new projects are recorded timely and reflected in CIP schedules. We also recommend the office of accounting integrate a process with project managers to receive prompt and accurate updates on projects to ensure they are placed in service. Regular reviews over the CIP schedule should be held performed by departments outside of accounting to ensure projects are capitalized when completed or expended if abandoned. We also recommend retainage be reviewed on these projects to ensure proper treatment at year end.

Views of Responsible Officials and Planned Corrective Action:

Following turnover in key roles within this transaction cycle, we have developed a plan to provide additional reviews over-reporting. We are including the fixed asset accountant into project meetings and have shifted responsibilities within the accounting office to provide necessary oversight of the capital asset tracking and reporting process.

2023-003: Fiduciary Fund Reporting (Significant Deficiency)

Condition:

Certain funds included in the County’s Annual Comprehensive Financial Report were inaccurately classified or not included based on the nature and involvement the County has for financial reporting fiduciary relationship.

Criteria:

Governmental Accounting Standards establish criteria for determining whether a fiduciary relationship exists between local governments. Care should be taken to ensure that external reporting reflects consideration of relationships outlined by GASB Statement No. 84.

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2023-003: Fiduciary Fund Reporting (Continued)

Cause:

Increased relationships, including accounting, fiscal responsibility, and changes in fiduciary responsibilities over fiscal years created relationships where fiduciary responsibility was exercised over certain governmental agencies.

Effect:

Some custodial funds were not created to reflect assets in which the local government has fiduciary responsibilities.

Recommendation:

We recommend and have worked to include these funds to be reported as custodial funds in the County's Annual Comprehensive Financial Report. We recommend regular reviews over new relationships or aspects of financial involvement in which the County may have fiduciary responsibilities.

Views of Responsible Officials and Planned Corrective Action:

We have worked to make changes in key aspects of reporting to ensure that custodial funds are established to provide key aspects of reporting of these fiduciary relationships within the currently presented ACFR. We believe we have established proper controls in place to identify and reflect new potential relationships.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

D. FINDINGS – COMMONWEALTH OF VIRGINIA

2023-004: VDSS Information Security Policy

Condition:

Social Services could not locate the VDSS Information Security – Policy Acknowledgement and Non-disclosure agreement for three employees selected in a sample to ensure that employees are performing security training each year. Additionally, Social Services could not locate a request for access form for one employee to ensure that accesses provided are appropriate for the employee's approved job responsibilities.

D. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)

2023-004: VDSS Information Security Policy (Continued)

Recommendation:

We recommend maintaining copies of all forms to ensure that systems access and job responsibilities are reflected accurately and that employees with these accesses are receiving systems training once a year.

Views of Responsible Officials and Planned Corrective Action:

We have established a process to ensure that these forms are maintained each year. We have reviewed accesses and do not believe employee systems access has been inappropriately assigned or that employees have not undergone sufficient training as required, however we will ensure that sufficient documentation over these functions are maintained.

2023-005: Annual School Report

Condition:

The Annual School Report had not been submitted as of the date of the audit.

Recommendation:

We recommend submission of the Annual School Report to the State Board of Education no later than September 15 of each year as provided by §22.1-81 of the Code of Virginia. In instances in which the September 15 deadline cannot be met, an extension of time not exceeding fifteen days may be granted for good cause by the Superintendent of Public Instruction for the preceding due date.

Views of Responsible Officials and Planned Corrective Action:

We are looking at processes to determine where to improve efficiencies in order to meet future deadlines.

ACKNOWLEDGMENTS

As with many County of Albemarle programs, the compilation of the Annual Comprehensive Financial Report is a Department of Finance and Budget team effort. This acknowledgment identifies key individuals who shared in the development of this report; many others who assisted organizationally are not individually identified.

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