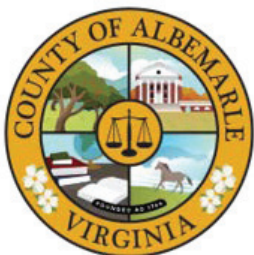


ANNUAL COMPREHENSIVE FINANCIAL REPORT

County of Albemarle, Virginia



Fiscal Year Ended June 30, 2022

COUNTY OF ALBEMARLE, VIRGINIA

**Annual Comprehensive Financial Report
Year Ended June 30, 2022**

Prepared By:

Department of Finance & Budget

COUNTY OF ALBEMARLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

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COUNTY OF ALBEMARLE
Department of Finance & Budget
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February 6, 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, 2022. 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 REPORTING ENTITY AND ITS SERVICES (Continued)

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, five middle schools, three 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 4.92 percent from 13,104 in 2011-2012 to 13,749 in 2021-2022. In the past five years, the school system has experienced a 0.29 percent decrease in the number of students. In the 2021-2022 school year, twenty-four Albemarle County public schools were accredited, four were accredited with conditions. The class of 2022 completed with 64.5 percent of students graduating with advanced diplomas and a dropout rate of 3.9 percent.

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 25,000. In 2021 (for the 2022 edition), the U.S. News and World Report ranked the University as a tie for the nation's 3rd best public university and 25th best among all national universities. The University is comprised of the Schools of Architecture, Business, Commerce, Continuing and Professional Studies, 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. Since establishment in 1972, an estimated 233,000 students have attended

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

credit and noncredit classes. Currently there have been over 14,300 associate degrees and certificates awarded. PVCC also offers extensive workforce training programs for local employees.

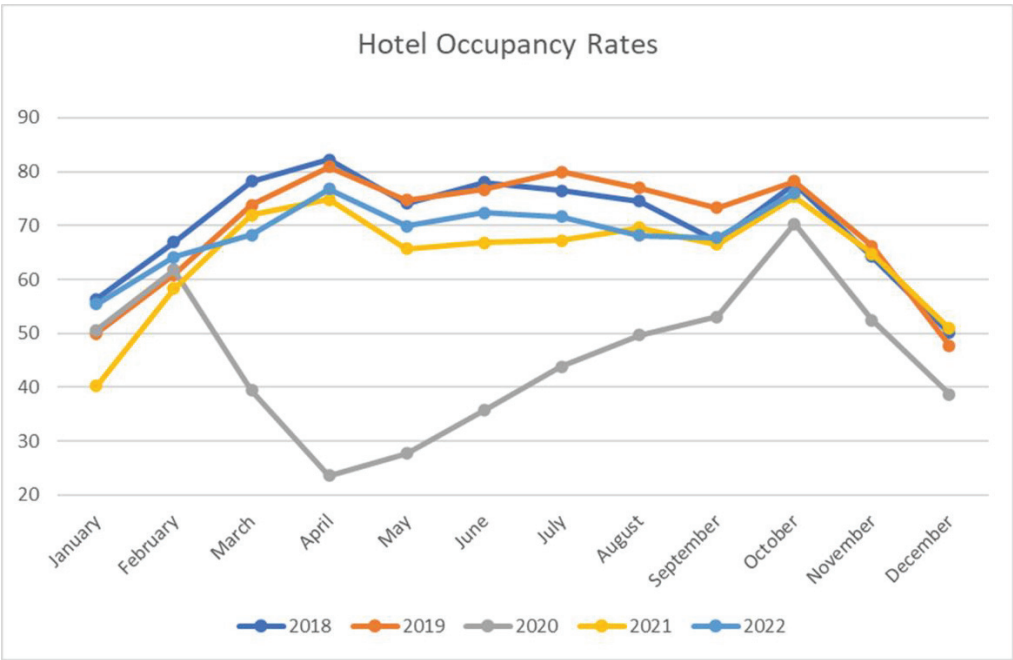
American National University opened its Charlottesville campus in 1979 and continues to build on its reputation among Central Virginia employers for its skilled graduates. ANU offers many Diploma Programs, as well as Associates, Bachelor’s and master’s Degrees in medical, business, and technology fields 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 2022, as the industry continued to recover from the economic and workforce challenges COVID wrought. The most recently published economic impact numbers for Tourism are from 2021 and show Tourism revenue for Albemarle County reached \$421,548,157, a 60.0 percent increase over 2020. Tourism-supported jobs in Albemarle County totaled 3,087, while local tourism-related taxes were \$20,264,849.

The coronavirus pandemic put the Virginia travel and tourism industry in a predicament, and imposed a strain on Virginia’s hotels, restaurants, attractions, and communities. The pandemic triggered decreased revenue, challenging supply chain issues and a reduced workforce. However, the industry made great strides toward recovery in 2022.

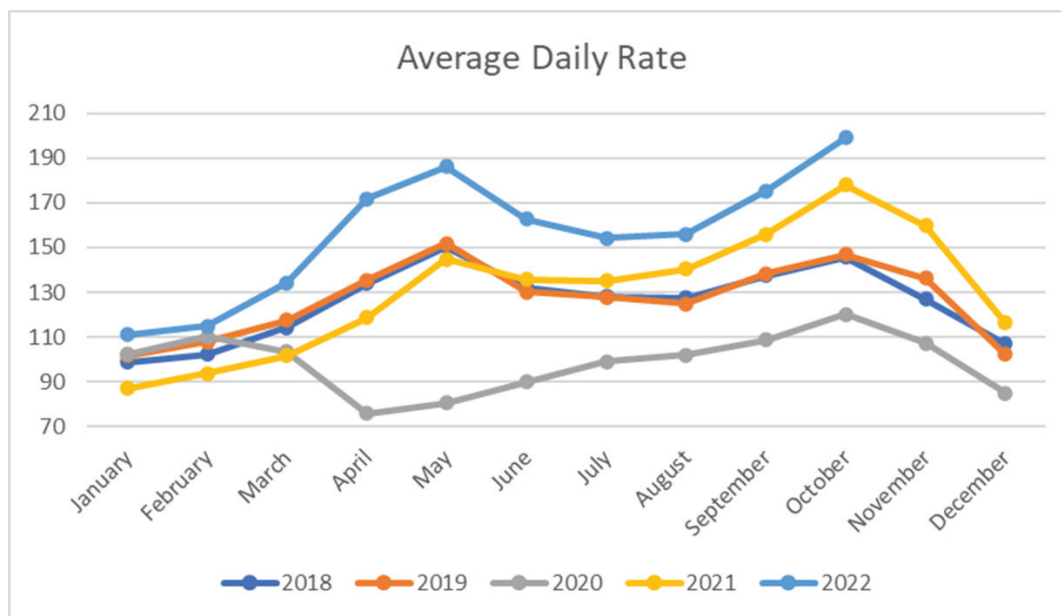
You’ll see from the chart below that Albemarle County area hotel occupancy rates are still slightly below typical levels for the region. A contributing factor for these lower occupancy rates is a lack of workforce. While substantial pay and benefit increases have lifted hospitality and tourism industry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



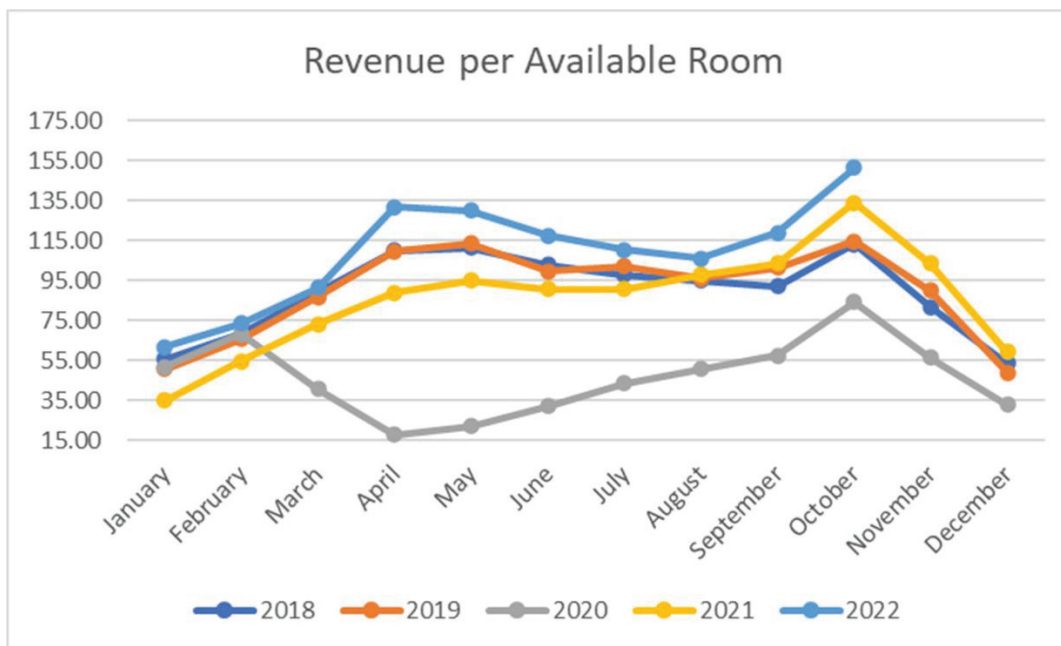
THE REPORTING ENTITY AND ITS SERVICES: (CONTINUED)

Travel and Tourism (Continued)

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. These rates are likely unsustainable in the long-term and will wane during the off-season for tourism (winter).



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



THE REPORTING ENTITY AND ITS SERVICES: (CONTINUED)

Travel and Tourism (Continued)

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, as we continue to recover from the impacts of COVID. The mission of the CACVB is to drive overnight stays and additional spending in hotels, restaurants, and shops, thereby generating additional tax revenue paid by visitors rather than residents.

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. Other County historic sites include Dr. Thomas Walker’s 1765 Plantation, Castle Hill; the birth site of George Rogers Clark; Patrick Henry’s family tavern, and Michie Tavern.

Albemarle County’s natural landscape allows 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. 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, 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, nascent wineries, and targeted actions by Albemarle County to help existing businesses grow plays 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 educational services, 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 State Farm Mutual Insurance. Noteworthy, there are 64 small life sciences companies that employ over 2,400 workers that help diversify the economy.

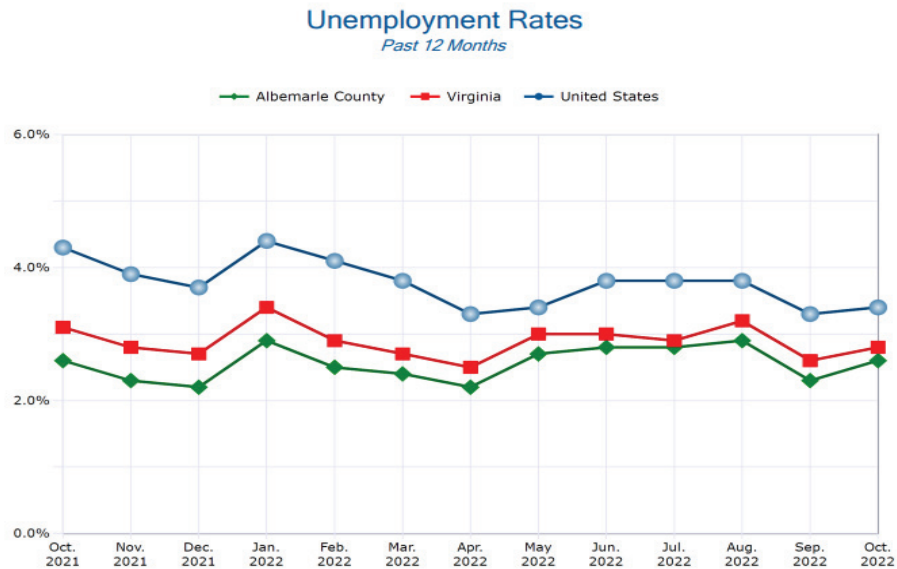
Additionally, workers are commuting from several surrounding cities and counties to work alongside Albemarle County residents as depicted in the charts below. (U.S. Census Bureau OnTheMap Application)

Top 10 Places Workers are Commuting From

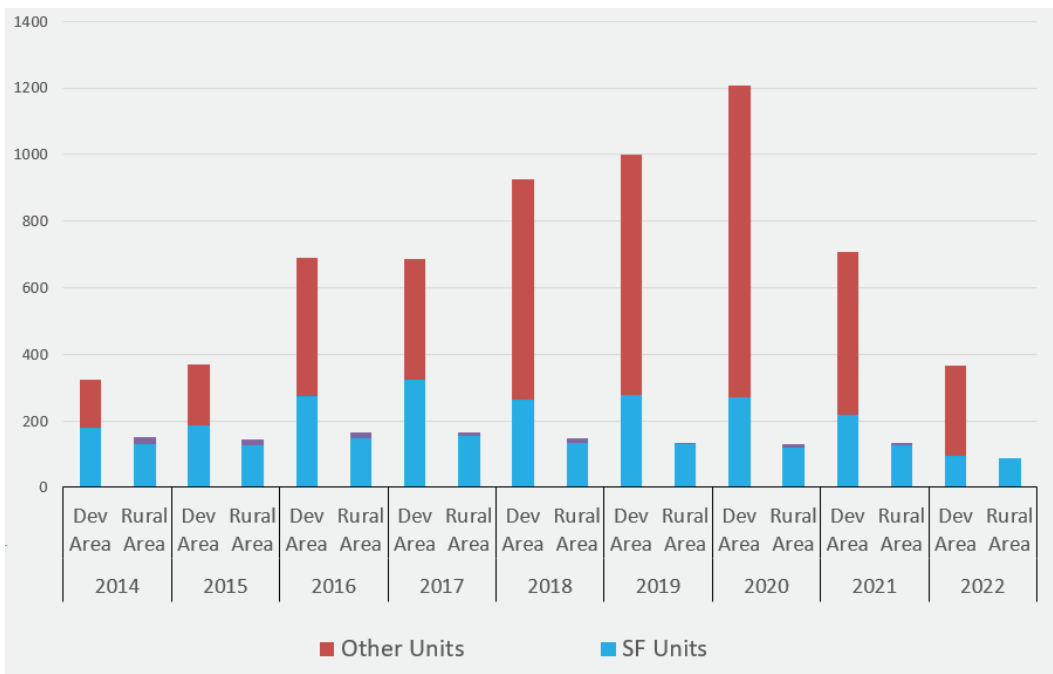
Area	Workers
Charlottesville city, VA	5,966
Fluvanna County, VA	3,185
Greene County, VA	2,412
Louisa County, VA	1,567
Augusta County, VA	1,401
Nelson County, VA	1,195
Fairfax County, VA	979
Orange County, VA	908
Waynesboro city, VA	905
Buckingham County, VA	729

ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

Despite growing economic uncertainty and rising inflation, unemployment remains low. According to the Virginia Employment Commission, as of June 2022, the unemployment rate for Albemarle County was 2.8 percent. The chart below illustrates an October 2021 to October 2022 comparison. The 2.8 percent unemployment rate for June 2022 and the accompanying chart reflects the diminishing impact of the coronavirus pandemic on Albemarle’s economy. To highlight, the unemployment rate reached a high of 2.9 percent in January of 2021 and trended down to 2.2 percent in April. The County’s unemployment rate fluctuated throughout FY22. 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 June 2022 Virginia’s overall unemployment rate was 3.0 percent, while the national unemployment rate was 3.8 percent.

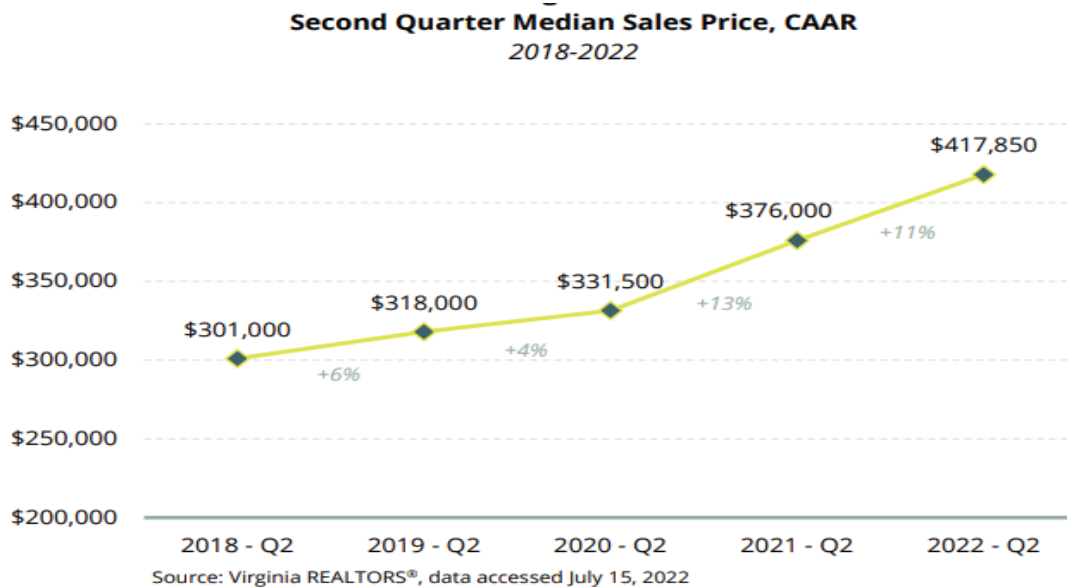


As of June 2022, building permits were issued for 907 dwelling units. Furthermore, there were no permits issued for the conversion of an apartment to a condominium (“SF” in the chart below indicates Single Family).



ECONOMIC CONDITION AND OUTLOOK (CONTINUED)

As of June 2022, the median sales price of homes in the Albemarle County, Charlottesville Metropolitan Statistical Area was \$417,850. This was an increase of 11 percent from a year ago and a gain of approximately \$41,850. There was a noteworthy increase in supply from March thru June 2022 with 741 active listings “across the footprint.” This represents a 28 percent increase, 163 more listings than last year during the same period. Statewide, the median sales price was \$397,500 for March - June 2022. This was up 9 percent since March - June 2021. (Charlottesville Area Association of REALTORS) The number of new listings in Albemarle County as of June 2022 was 242 and the number of sales was 222 this was down 20.1 percent from the previous year.



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 2020-2023 Strategic Plan focuses on the following priority areas.

- Climate Action Plan
- Expand and Promote Outdoor Parks & Amenities
- Revitalization of Aging Urban Neighborhoods
- Develop Economic Development Program - Project ENABLE
- School Space Needs
- Infrastructure Planning
- Expansion and Upgrades to the General District Court and the Circuit Court
- Redevelop RIP/Route 29 Intersection Area
- Expansion of Broadband

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 - Phase 1a* - 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.
- *Infrastructure Projects*
 - Commonwealth/Dominion Drive - This project includes segments of sidewalk on Commonwealth Drive from Hydraulic Road to Dominion Drive; and along Dominion Drive from Commonwealth Drive to US Route 29. This project received approximately \$3.2M in funding through a Revenue Sharing Grant in FY19 and is currently in design.

MAJOR INITIATIVES (CONTINUED)

Current Initiatives

- **Ivy Road Pedestrian and Bicycle Improvements** - This project provides pedestrian, bicycle, and drainage improvements along Ivy Road from the existing sidewalk at the Charlottesville City limits to the Route 29/250 Bypass interchange. Also includes crosswalks and pedestrian signal modifications at the Old Ivy Road and Ivy Road intersection. This project is currently under construction with an expected completion date of September 2022.
- **Berkmar Drive Bicycle and Pedestrian Improvements** - This project will construct a 1.1-mile-long shared-use path from Hydraulic Road to Hilton Heights Road to connect to the new shared-use path on Berkmar Drive Extended. This project received approximately \$2.7M in funding through a Revenue Sharing Grant in FY19 and is currently in design with an expected construction completion date of August 2025.

Economic Development

- **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.

Albemarle County Public Schools Projects

- **Scottsville Elementary School Addition and Improvements** - The project adds 17,500 square feet to the building and improvements to the existing building and site. The additions include four additional classrooms, two smaller resource classrooms, two offices, bathrooms, and a full-size gym. Improvements to the existing building include renovating 14 classrooms and repurposing the current gym into a teachers' work room and instructional spaces, and other modernizations and renovations throughout the building to improve space for both students and staff. Site improvements also include outdoor learning areas. The project adheres to Leadership in Energy and Environmental Design (LEED) principles and practices.
- **Red Hill Elementary School Gym Addition and Renovation** - The project adds an approximate 8,200 square feet addition to the building to include a new gymnasium and support spaces such as a new full-size gym, physical education offices, performance stage and restroom facilities. Renovations to the existing building include repurposing the current gym into a new media center, new cafeteria equipment and classroom space and restroom upgrades. Sitework includes additional parking and outdoor learning areas.
- **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.

MAJOR INITIATIVES (CONTINUED)

Future Initiatives

Broadband Expansion and Access

- County staff is anticipating a positive outcome of the latest Broadband application for state funding through a partnership with the Thomas Jefferson Planning District Commission and Firefly Fiber Broad. This regional application benefits from a Board of Supervisors appropriated of \$4.5 million in American Rescue Act Plan funding to the Albemarle Broadband Authority (ABBA). ABBA pledged \$4.3 million of these funds toward an approved project. Over three years, this project is expected to connect every section of the County with fiber. If the application for state funding is not successful, staff will work on other options to fund this penultimate project. Additionally, County staff continues to work on various Broadband affordability options including a monthly stipend for low-income Albemarle community members and will continue community outreach.

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. The conceptual, schematic, and design development phases of design for the General District Court and the Circuit Court are complete. The construction document phase for the General District Court is in progress and is expected to be complete in January of 2023.

Updating the Strategic Plan

- Through the summer of 2022 staff prepared potential goals and objectives based on our current community challenges and opportunities. In August of 2022, the Board of Supervisors provided input and direction around six draft strategic plan goals and connecting objectives. The discussions were upon current services and how we might approach challenges and opportunities differently so that the County government can improve and deliver excellent customer service. Board and community input was gathered again in September and October. The Board adopted the following six goal: (1) safety and well-being, (2) resilient, equitable, and engaged community, (3) infrastructure and placemaking, (4) quality of life, (5) education and learning, and (6) workforce and customer service.

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.

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 Robinson, Farmer, Cox Associates has performed an audit for the County for the fiscal year ended June 30, 2022. The auditors' opinion is included in this report.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Albemarle, Virginia for its annual comprehensive financial report for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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,

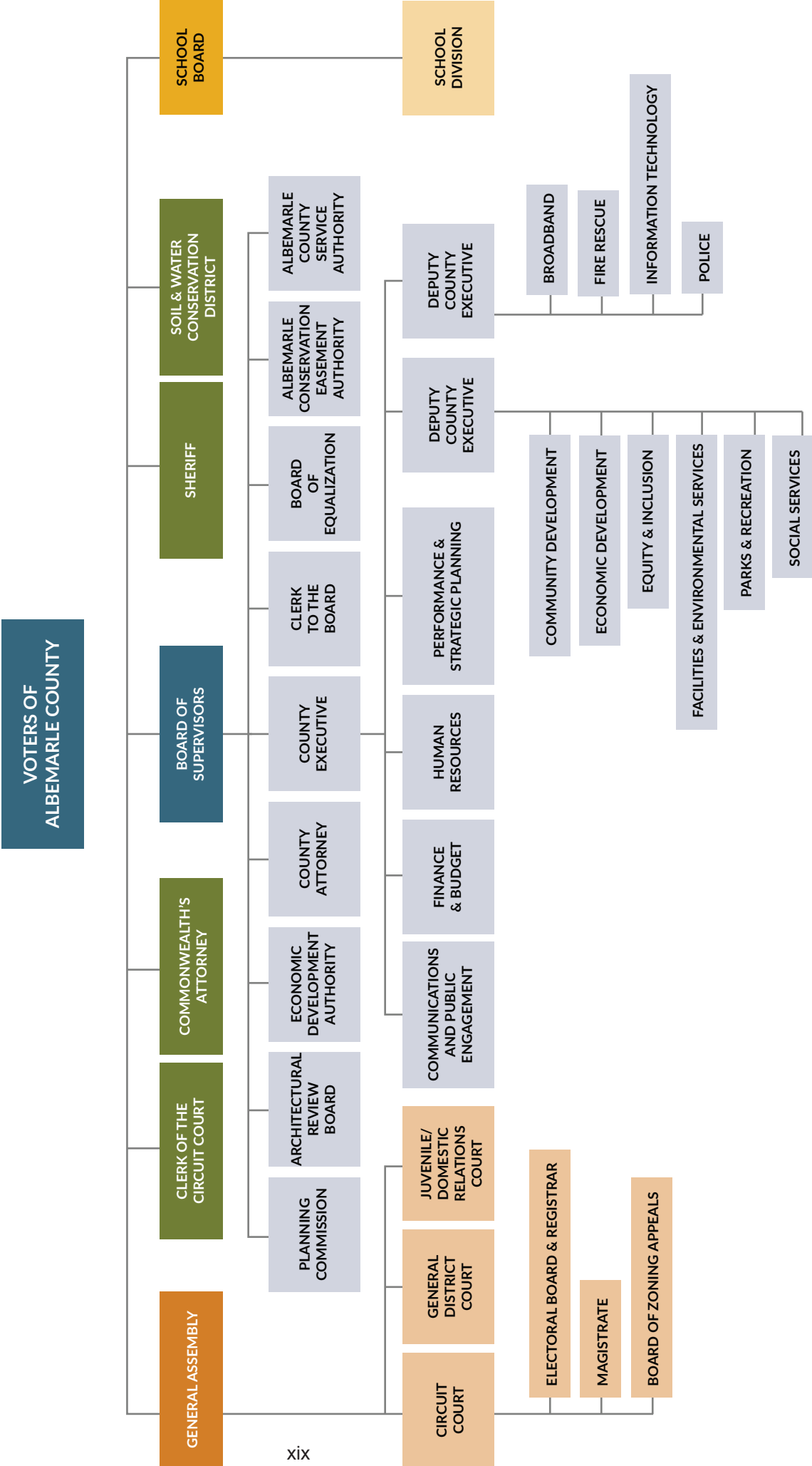
A handwritten signature in black ink, reading "Nelsie Birch". The signature is fluid and cursive, with the first name "Nelsie" and last name "Birch" clearly distinguishable.

Nelsie L. Birch
Chief Financial Officer

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County of Albemarle
ORGANIZATIONAL CHART



COUNTY OF ALBEMARLE, VIRGINIA

BOARD OF SUPERVISORS

Donna Price, Chair
Bea LaPisto-Kirtley, Vice-Chair

Ned Gallaway
Jim Andrews

Ann Mallek
Diantha McKeel

Claudette K. Borgersen, Clerk

SCHOOL BOARD

Graham Paige, Chair
Katrina Callsen, Vice-Chair

Kate Acuff
Judy Le
Ellen Osborne

David Oberg
Jonno Alcaro

Jennifer Johnston, Clerk

COUNTY OF ALBEMARLE, VIRGINIA

OTHER OFFICIALS

County Executive	Jeffrey B. Richardson
Deputy County Executive	Douglas C. Walker
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 Services	Roderick Burton
Director of Community Development	Jodie Filardo
Extension Agent	Carrie Swanson
Chief Financial Officer	Nelsie L. Birch
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	Mia Coltrane
Chief of Police	Sean Reeves
Registrar	Lauren Eddy
Sheriff	Chan Bryant
Director of Social Services	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
Director of Economic Development	Roger Johnson
Director, Office of Equity and Inclusion	Jesse Brookins
Director, Performance and Strategic Planning	Kristy Shifflett



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Albemarle
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' 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 business-type activities, the 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, 2022, 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 financial position of the governmental activities, the business type activities, the 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, 2022, 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; 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*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement Nos. 87, *Leases* and 92, *Omnibus*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Albemarle, Virginia'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.

Auditors' 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 auditors' 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, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* 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, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, 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 County of Albemarle, Virginia'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 County of Albemarle, Virginia'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, budgetary comparison information, and analysis and schedules related to pension and OPEB funding 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Albemarle, Virginia's basic financial statements. The accompanying other supplementary information 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 other supplementary information and schedules 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 auditors' 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023, on our consideration of County of Albemarle, Virginia'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 County of Albemarle, Virginia'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 County of Albemarle, Virginia's internal control over financial reporting and compliance.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia

February 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County of Albemarle presents the following discussion and analysis as an overview of the financial activities of the County for fiscal year ending June 30, 2022. 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 unit, totaled \$413,706,625. Liabilities and deferred inflows of resources totaled \$307,968,639. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$105,737,986, of which \$86,486,248 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased \$41,885,981 from the prior year, which primarily resulted from a decrease of \$37,477,649 in Education program expenses compared to 2021. Operating grants and contributions decreased \$17,496,278 from 2021, but total increases of \$26,460,397 from General Property Taxes, Real and Personal and Other taxes offset this decrease.

Fund Financial Statements (Modified Accrual Accounting)

- As of June 30, 2022, the County's governmental funds reported combined fund balances of \$125,160,457, an increase of \$12,930,156 compared to the prior year. Approximately 48.18% of the combined fund balances, \$60,299,825, is unassigned and available to meet the County's current and future needs.
- The General Fund reported a fund balance of \$74,239,428, a decrease of \$7,280,332 from June 30, 2021. A portion of this decrease can be attributed to an increase in Deferred Inflows of Resources of \$3,012,139 and an increase in Total Liabilities of \$2,562,420. Federal/State Grant Funds reported a fund balance of \$8,170,829; the General Capital Improvements Fund reported a fund balance of \$28,934,031; and Other Governmental Funds reported \$13,816,169 in total fund balance.

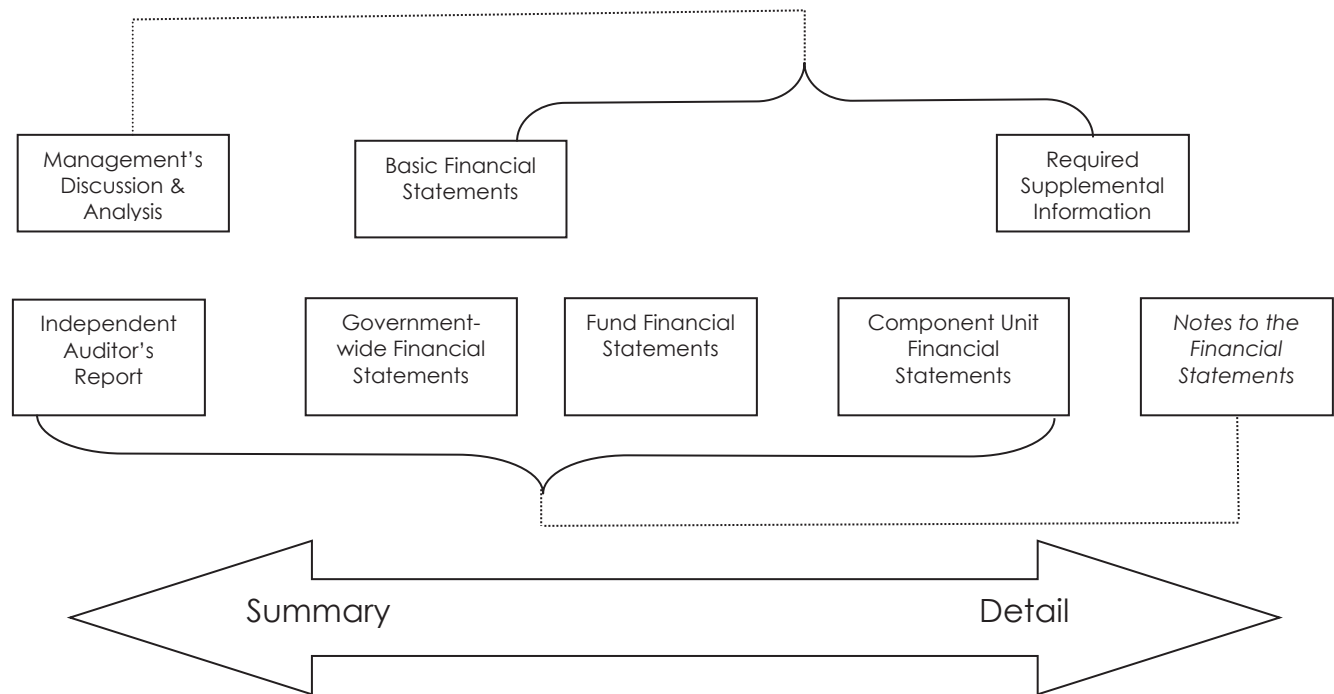
OVERVIEW OF THE FINANCIAL STATEMENTS

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, a list of principal officers and a copy of the 2021 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.
- 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 Unit: The County includes the Albemarle County Public Schools in its annual financial report. Although a legally separate entity, this component unit is included in the County's financial report because the School System is fiscally dependent on the County.

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 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 six internal service funds: health insurance fund, dental plan pool fund, duplicating fund, facilities development 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, 2022 and 2021 (\$ in thousands)						
	Governmental Activities		Component Unit		Total Reporting Entity	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 186,794	\$ 163,260	\$ 78,371	\$ 88,602	\$ 265,165	\$ 251,862
Capital assets (net)	207,009	194,502	68,010	64,195	275,019	258,697
Total assets	\$ 393,803	\$ 357,762	\$ 146,381	\$ 152,797	\$ 540,184	\$ 510,559
Deferred outflows of resources	\$ 19,904	\$ 21,660	\$ 43,346	\$ 50,986	\$ 63,250	\$ 72,646
Total assets and deferred outflows of resources	\$ 413,707	\$ 379,422	\$ 189,727	\$ 203,783	\$ 603,434	\$ 583,205
Liabilities:						
Other liabilities	\$ 30,499	\$ 18,635	\$ 26,851	\$ 25,393	\$ 57,350	\$ 44,028
Long-term Liabilities	244,231	291,162	149,272	235,113	393,503	526,275
Total liabilities	\$ 274,730	\$ 309,797	\$ 176,123	\$ 260,506	\$ 450,853	\$ 570,303
Deferred inflows of resources	\$ 33,238	\$ 5,773	\$ 78,477	\$ 12,998	\$ 111,715	\$ 18,771
Net Position:						
Net investment in capital assets	\$ 11,081	\$ 7,115	\$ 68,010	\$ 64,195	\$ 79,091	\$ 71,310
Restricted	8,171	5,075	-	-	8,171	5,075
Unrestricted	86,487	51,662	(132,883)	(133,916)	(46,396)	(82,254)
Total net position	\$ 105,739	\$ 63,852	\$ (64,873)	\$ (69,721)	\$ 40,866	\$ (5,869)
Total liabilities, deferred inflows of resources and net position	\$ 413,707	\$ 379,422	\$ 189,727	\$ 203,783	\$ 603,434	\$ 583,205

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:**

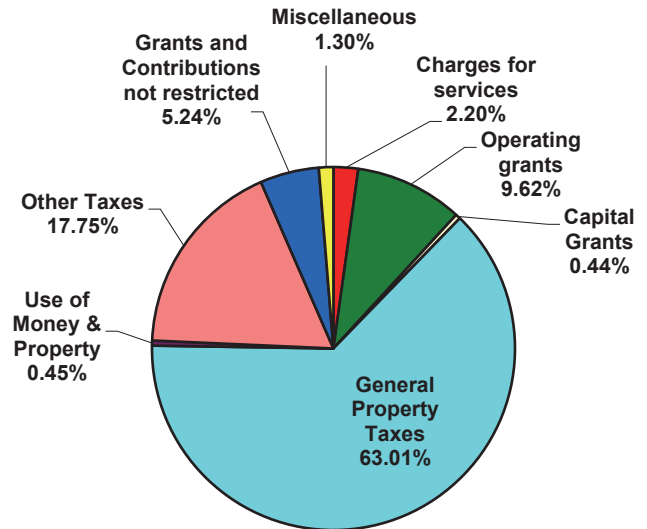
The following table presents revenues and expenses of governmental activities:

Changes in Net Position For the Fiscal Year Ended June 30, 2022 and 2021 (\$ in thousands)			
	Governmental Activities		Total %
	2022	2021	Change
			2022-2021
Revenues:			
Program Revenues:			
Charges for services	\$ 8,169	\$ 6,539	24.93%
Operating grants and contributions	35,701	53,198	-32.89%
Capital grants and contributions	1,625	460	253.26%
General Revenues:			
General property taxes, real and personal	233,882	216,284	8.14%
Other taxes	65,908	57,045	15.54%
Grants and contributions not restricted	19,456	19,403	0.27%
Use of money and property	1,661	1,666	-0.30%
Miscellaneous revenue	4,808	1,488	223.12%
Total Revenues	\$ 371,210	\$ 356,083	4.25%
Expenses:			
General government	\$ 20,656	\$ 22,664	-8.86%
Judicial administration	5,048	7,007	-27.96%
Public safety	57,490	56,437	1.87%
Public works	13,797	11,532	19.64%
Health and welfare	35,224	37,347	-5.68%
Education	147,596	185,074	-20.25%
Parks, recreation, and cultural	9,775	10,618	-7.94%
Community Development	34,627	35,292	-1.88%
Interest on long-term debt	5,111	5,754	-11.17%
Total Expenses	\$ 329,324	\$ 371,725	-11.41%
Increase (decrease) in net position	\$ 41,886	\$ (15,642)	-367.78%
Beginning net position	63,852	79,494	-19.68%
Ending net position	\$ 105,738	\$ 63,852	65.60%

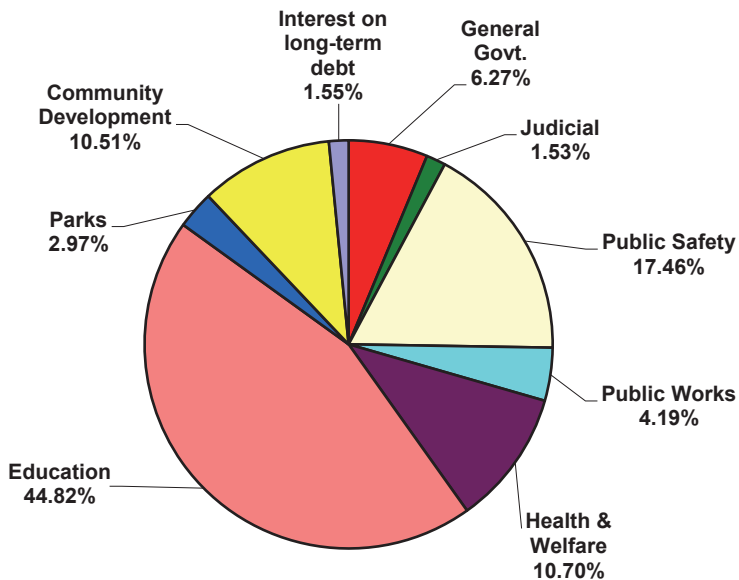
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE: (CONTINUED)

Governmental Activities - Revenues by Source For the Fiscal Year Ended June 30, 2022

Total net position for Governmental activities increased \$41,885,981 with an ending net position of \$105,737,986. Revenues from governmental activities totaled \$371,210,184 for FY 2022 compared to FY 2021 revenues from governmental activities of \$356,082,836. Taxes comprise the largest source of these revenues, totaling \$299,789,072 or 80.76%. Of this amount, general property taxes comprise 78.01% of the taxes collected, totaling \$233,881,733.



Governmental Activities - Expenses by Function For the Fiscal Year Ended June 30, 2022



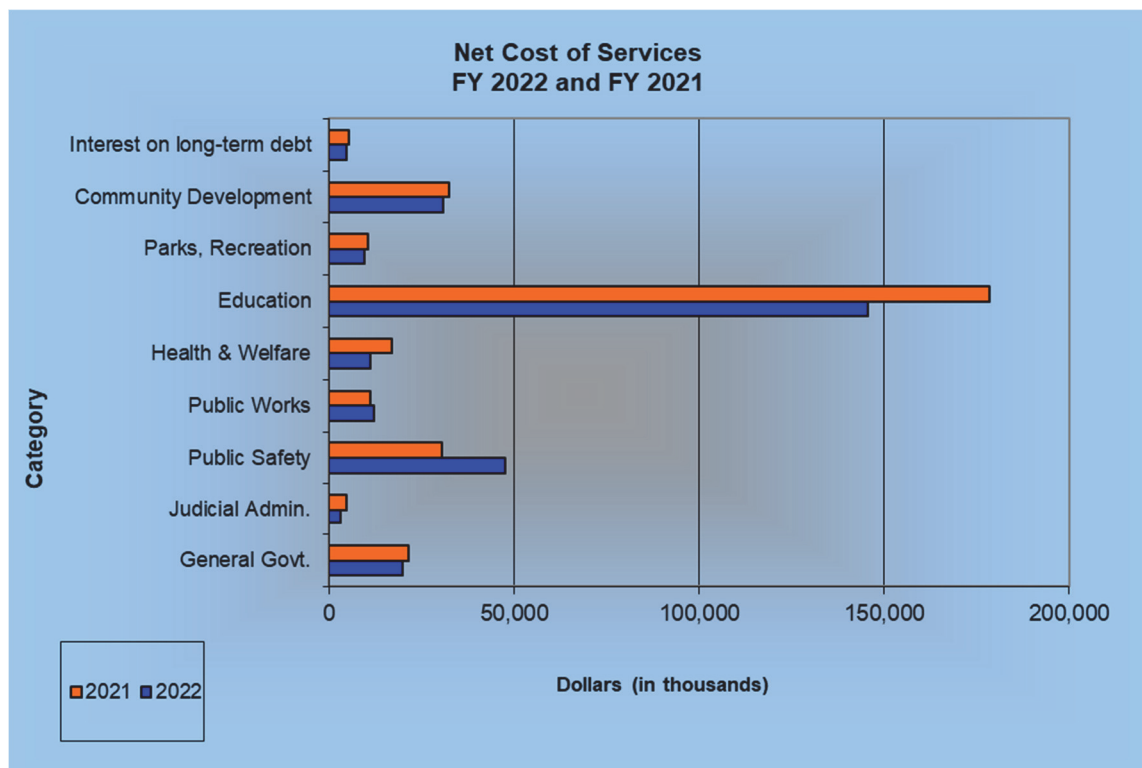
The total cost of all governmental activities for this fiscal year was \$329,324,203. As the chart to the left illustrates, Education continues to be the County's largest program with expenses totaling \$147,596,404. Public Safety expenses, which total \$57,489,744, represents the second largest expense, followed by Health and Welfare at \$35,223,630, Community Development at \$34,627,418, and General Government Administration at \$20,655,655.

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, 2022 and 2021						
	Total Cost of Services			Net Cost of Services		
	2022	2021	Percentage Change	2022	2021	Percentage Change
General government	\$ 20,655,655	\$ 22,663,518	-8.86%	\$ 19,819,128	\$ 21,569,733	-8.12%
Judicial administration	5,048,125	7,006,895	-27.95%	3,103,584	4,634,302	-33.03%
Public safety	57,489,744	56,437,283	1.86%	47,451,804	30,465,985	55.75%
Public works	13,797,269	11,531,644	19.65%	11,981,360	11,022,772	8.70%
Health & welfare	35,223,630	37,346,963	-5.69%	11,229,653	16,978,431	-33.86%
Education	147,596,404	185,074,053	-20.25%	145,455,221	178,576,074	-18.55%
Parks, recreation & cultural	9,775,450	10,618,313	-7.94%	9,439,554	10,543,853	-10.47%
Community development	34,627,418	35,292,202	-1.88%	30,701,031	32,309,558	-4.98%
Interest on long-term debt	5,110,508	5,753,837	-11.18%	4,646,795	5,426,942	-14.38%
Total	\$ 329,324,203	\$ 371,724,708	-11.41%	\$ 283,828,130	\$ 311,527,650	-8.89%

For the year ended June 30, 2022, governmental activities generated \$8,169,480 in program revenues from users of services provided by the activity, as compared to \$6,539,074 for FY 2021. The largest percentage of these charges were generated by Community Development with 44.29%, while Public Safety generated 42.85% of charges for services program revenue. Operating grant and contribution revenues decreased to \$35,701,494 compared to \$53,197,772 in FY 2021, with 93.84% of the decrease from Public Safety, or \$16,419,089, caused by the reduction in CARES funding of \$14,155,751 from 2021. Capital grant and contribution revenues totaled \$1,625,099, which increased by \$1,164,887 when compared to 2021.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of June 30, 2022, the County's governmental funds reported a combined ending fund balance of \$125,160,457, an increase of \$12,930,156 in comparison with the prior year. Approximately 48.18% (\$60,299,825) is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is non-spendable (\$297,809); restricted (\$9,816,778); or committed (\$54,746,045). For further details on Fund Balance, please refer to Exhibit 3 located in the Fund Financial statements section.

The General Fund contributed \$159.4 million in operating funds to support Schools' operations.

The State and Federal Grants fund reported a fund balance of \$8,170,829 at June 30, 2022, an increase of \$3,096,116 from FY 2021. Total revenues for FY 2022 were \$16,212,694 compared to \$17,659,097 in total expenditures for FY 2022.

The County's CARES ACT fund reported \$4,123,132 in revenues for COVID-19 related expenditures in FY 2022.

In the General Capital Improvement Fund, the County expended \$18.7 million in FY 2022. Approximately \$300,000 of those expenditures was contributed to the School Board for School Capital Projects and \$18,158,925 was expensed for Capital Projects.

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, 2022			
	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 268,404,838	\$ 290,852,201	\$ 296,701,153
Other	8,876,114	10,048,428	11,786,833
Intergovernmental	31,979,220	32,662,891	35,299,046
Total	\$ 309,260,172	\$ 333,563,520	\$ 343,787,032
Expenditures:			
Expenditures	286,245,529	313,366,482	300,099,074
Excess (deficit) of revenues over expenditures	\$ 23,014,643	\$ 20,197,038	\$ 43,687,958
Other Financing Sources (Uses):			
Transfers in	\$ 10,835,942	\$ 34,939,806	\$ 4,195,745
Transfers out	(33,850,585)	(55,136,844)	(55,164,035)
Total	\$ (23,014,643)	\$ (20,197,038)	\$ (50,968,290)
Change in Fund Balance	\$ -	\$ -	\$ (7,280,332)
Fund balance, beginning of year	-	-	81,519,760
Fund balance, end of year	\$ -	\$ -	\$ 74,239,428

BUDGETARY HIGHLIGHTS: (Continued)

General Fund: (Continued)

Actual revenues were \$10,223,512, or 3.1% more than final budgeted amounts and actual expenditures were \$13,267,408, or 4.2% less than final budgeted amounts. Highlights of the comparison between final budgeted amounts and actual figures for fiscal year ended June 30, 2022, include the following:

- Actual general property tax revenues exceeded budgeted amounts by \$4,929,898 due to a better-than-expected real estate market and collection efforts of current and delinquent taxes which were not impacted by the pandemic as the County had originally anticipated.
- Actual revenues from the Commonwealth exceeded budgeted amounts by \$2,339,405.
- Actual revenues from the Federal Government were \$296,750 more than budgeted due to greater than anticipated reimbursement rates related to Social Service expenditures.
- Actual general government administration expenditures were \$2,255,651 less than budgeted, Public Safety expenditures were \$2,354,708 less than budgeted, and Community Development were \$937,029 less than budgeted primarily because of attrition during FY 22 and uncompleted projects carried forward to FY 2023.
- Actual education expenditures were \$1,197,321 more than budgeted.

Final budgeted revenues were \$24,303,348 or 7.23% more than the original budgeted amounts, and final budgeted expenditures were \$27,120,953, or 8.61%, more than the original budgeted amounts. Highlights of the comparison of the original budget to final budgeted figures for fiscal year ended June 30, 2022, include the following:

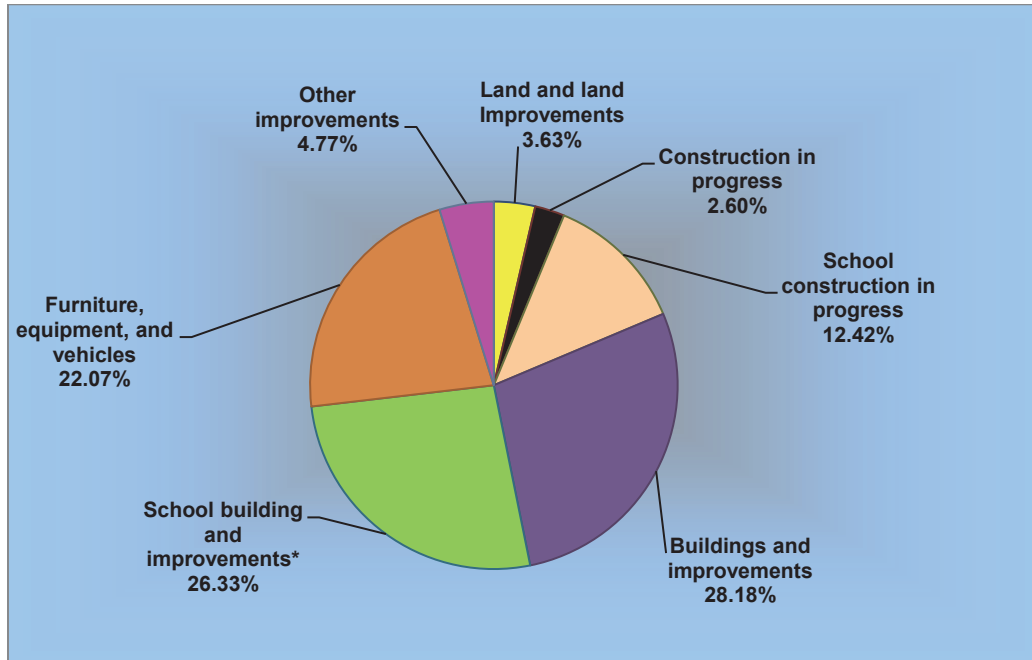
- Final budgeted expenditures for General Government Administration increased from the original budget by \$4,310,996. \$412,652 of the increase was for Information Technology expenditures, \$1,770,126 was related to County Executive departmental expenditures, \$143,209 was related to Board of Supervisors expenditures, \$602,299 was for Human Resources departmental expenditures, \$220,816 was related to County Attorney expenditures, \$910,053 was for Finance departmental expenditures, and \$251,811 of was for Voter Registration expenditures.
- The final budget for Public Works increased by \$1,101,268 over the original budget. Of this amount, \$975,293 of the increase was for Maintenance of Buildings and Grounds.
- The final budget for Education increased by \$11,798,785 over the original budget for various School Capital Projects.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

As of June 30, 2022, the County's investment in capital assets totaled \$207,009,046, an increase of \$12,507,146 over 2021, and is summarized below:

Capital Assets as of June 30, 2022



During Fiscal Year 2022, the County's net capital assets (including additions, decreases, and depreciation) increased \$14,179,504, as summarized below:

Change in Capital Assets Governmental Funds			
	Balance July 1, 2021	Net Additions and Deletions	Balance June 30, 2022
Land and land Improvements	\$ 11,704,520	\$ -	\$ 11,704,520
Construction in progress	6,414,835	1,953,382	8,368,217
School land and construction in progress*	21,071,211	18,941,183	40,012,394
Buildings and improvements	90,744,936	16,182	90,761,118
School building and improvements*	96,223,070	(11,413,022)	84,810,048
Furniture, equipment, and vehicles	68,084,983	3,009,839	71,094,822
Other improvements	13,350,143	2,019,376	15,369,519
Total Capital Assets	\$ 307,593,698	\$ 14,526,940	\$ 322,120,638
Less accumulated depreciation	(113,091,798)	(2,019,794)	(115,111,592)
Total capital assets, net	\$ 194,501,900	\$ 12,507,146	\$ 207,009,046

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:

- On-going construction and renovations to Scottsville Elementary School and Red Hill Elementary School
- On-going work for a substantial addition and gym renovation at Crozet Elementary
- On-going work for window replacements at the County office building located at 401 McIntire Road
- Regular maintenance projects, school security, and technology upgrades
- Continued funding for the replacement of school buses and public safety apparatuses

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:

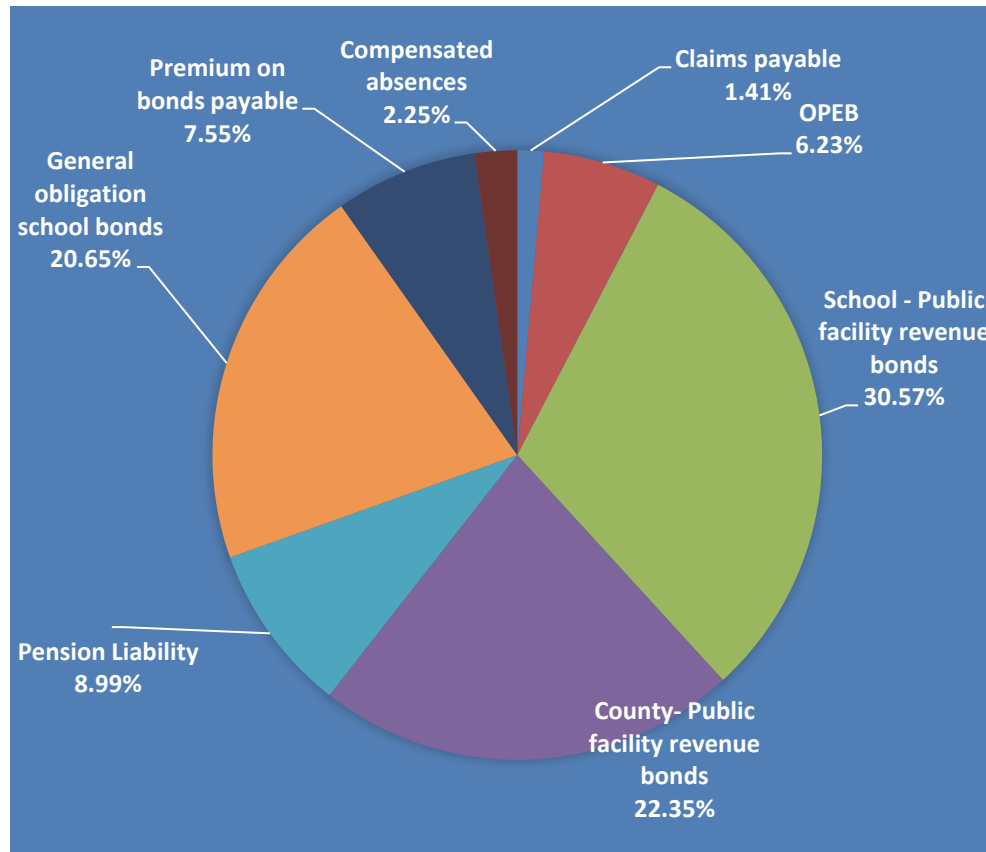
Summary of Long-Term Obligation Changes For the Fiscal Year Ended June 30, 2022			
	Amounts Payable July 1, 2021	Net Increase (Decrease)	Amounts Payable June 30, 2022
Primary Government			
General obligation school bonds	\$ 57,515,000	\$ (7,085,000)	\$ 50,430,000
School - Public facility revenue bonds	79,709,164	(5,042,396)	74,666,768
County - Public facility revenue bonds	61,600,837	(7,012,604)	54,588,233
Virginia Resource Authority	21,559	(21,559)	-
Premium on bonds payable	18,023,808	406,808	18,430,616
Claims payable	2,958,065	482,857	3,440,922
Net pension liability	48,760,745	(26,802,635)	21,958,110
Net OPEB obligations	17,493,556	(2,274,616)	15,218,940
Compensated absences	5,079,041	418,140	5,497,181
Total	<u>\$ 291,161,775</u>	<u>\$ (46,931,005)</u>	<u>\$ 244,230,770</u>

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt: (Continued)

As of June 30, 2022, the County's long-term obligations total \$244,230,770 and can be summarized as follows:

**Long-Term Obligations
Primary Government as of June 30, 2022**



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.
- The County will manage its financial resources in a way that prevents borrowing to meet working capital needs.
- The County will confine long-term borrowing and capital leases to capital improvements or projects that cannot be financed by current revenues.

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt (Continued)

- To the extent feasible, any year that the debt service payment falls below its current level, those savings will be used to finance 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.
- Recognizing the importance of underlying debt 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:
 - Net debt as a percentage of the estimated market value of taxable property should not exceed 2%.
 - The ratio of debt service expenditures as a percent of general fund and school fund revenues 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.

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

- The average unemployment rate for the County of Albemarle in June 2022 was 2.8%, compared to 3.9% a year ago. For the same period, Virginia's unemployment rate was 3.0% and the national unemployment rate was 3.8%.
- According to the U.S. Census Bureau, the population in Albemarle County was estimated at 113,535 as of July 1, 2021. This reflects a population growth of 14.7% since 2010.
- The fiscal year 2023 Adopted Budget anticipated general fund revenues and expenditures to be \$368,284,588, a 17.0% increase over the fiscal year 2022 budget. The Adopted Budget revenue projections showed an anticipated increase in local revenues, especially in real estate property tax (\$24.7 million, an increase of 14.3%) and local personal property taxes (\$4.3 million, an increase of 13.4%). The County's transfer to fund education operations (including education debt service) continues to be the largest expenditure area at 49.8% of total expenditures, with public safety being the next largest at 14.5%.

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 web site at www.albemarle.org.

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BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
At June 30, 2022

	Governmental Activities	Component Unit School Board
Assets		
Cash and investments	\$ 140,060,050	\$ 57,066,448
Investments - restricted	1,645,949	274,327
Receivables (net of allowance for doubtful accounts) - Note 4	28,979,213	267,646
Leases receivable	317,938	-
Due from other governments - Note 5	15,158,009	16,125,818
Prepaid items	493,142	85,651
Inventories	139,541	470,027
Net pension asset	-	4,081,244
Capital assets - Note 7:		
Land and construction in progress	60,085,131	9,225,275
Other capital assets (net of accumulated depreciation)	146,923,915	58,784,262
Total capital assets, net	<u>\$ 207,009,046</u>	<u>\$ 68,009,537</u>
Total assets	<u>\$ 393,802,888</u>	<u>\$ 146,380,698</u>
Deferred Outflows of Resources:		
Deferred amount on refunding	\$ 267,204	\$ -
Deferred items related to pension	17,887,064	36,696,546
Deferred items related to OPEB	1,749,469	6,649,975
Total deferred outflows of resources	<u>\$ 19,903,737</u>	<u>\$ 43,346,521</u>
Total assets and deferred outflows of resources	<u>\$ 413,706,625</u>	<u>\$ 189,727,219</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 10,080,926	\$ 26,851,146
Amounts held for others	1,768,738	-
Accrued interest payable	1,043,513	-
Unearned revenue	17,606,309	-
Long-term liabilities - Note 8:		
Due within one year	22,566,292	1,652,473
Due in more than one year	221,664,478	147,619,779
Total liabilities	<u>\$ 274,730,256</u>	<u>\$ 176,123,398</u>
Deferred Inflows of Resources		
Deferred revenue - Note 9	\$ 5,040,626	\$ -
Deferred items related to pension	24,354,006	70,671,700
Deferred items related to leases	307,272	-
Deferred items related to OPEB	3,536,479	7,805,543
Total deferred inflows of resources	<u>\$ 33,238,383</u>	<u>\$ 78,477,243</u>
Net Position		
Net investment in capital assets	\$ 11,080,909	\$ 68,009,537
Restricted:		
Grant compliance	8,170,829	-
Net pension asset	-	4,081,244
Unrestricted	86,486,248	(136,964,203)
Total net position	<u>\$ 105,737,986</u>	<u>\$ (64,873,422)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 413,706,625</u>	<u>\$ 189,727,219</u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	
Primary Government						
Governmental activities						
General government administration	\$ 20,655,655	\$ 159,810	\$ 676,717	\$ -	\$ (19,819,128)	\$ -
Judicial administration	5,048,125	610,498	1,334,043	-	(3,103,584)	-
Public safety	57,489,744	3,500,292	6,537,648	-	(47,451,804)	-
Public works	13,797,269	-	190,810	1,625,099	(11,981,360)	-
Health and welfare	35,223,630	-	23,993,977	-	(11,229,653)	-
Education	147,596,404	-	2,141,183	-	(145,455,221)	-
Parks, recreation and cultural	9,775,450	280,282	55,614	-	(9,439,554)	-
Community development	34,627,418	3,618,598	307,789	-	(30,701,031)	-
Interest on long-term debt	5,110,508	-	463,713	-	(4,646,795)	-
Total governmental activities	\$ 329,324,203	\$ 8,169,480	\$ 35,701,494	\$ 1,625,099	\$ (283,828,130)	\$ -
Component Unit						
Albemarle County Public Schools	\$ 240,363,806	\$ 3,486,353	\$ 92,323,244	\$ 960,887	\$ -	\$ (143,593,322)
General Revenues						
Taxes:						
General property taxes, real and personal				\$ 233,881,733	\$ -	
Local sales and use taxes				22,446,273	-	
Business licenses tax				15,355,367	-	
Consumer utility taxes				4,761,328	-	
Meals tax				10,217,608	-	
Motor vehicle licenses tax				4,008,964	-	
Other taxes				9,117,799	-	
Payment from County of Albemarle:						
Education				-	144,513,727	
Grants and contributions not restricted to specific programs						
				19,456,125	-	
Unrestricted use of money and property				1,661,227	307,099	
Miscellaneous				4,807,687	3,620,085	
Total general revenues				\$ 325,714,111	\$ 148,440,911	
Change in net position				\$ 41,885,981	\$ 4,847,589	
Net position, beginning of year				63,852,005	(69,721,011)	
Net position, end of year				\$ 105,737,986	\$ (64,873,422)	

The accompanying notes to financial statements are an integral part of this statement.

Fund Financial Statements

Balance Sheet
Governmental Funds
At June 30, 2022

	General Fund	Federal/ State Grants Fund	CARES ACT and ARPA Fund	General Capital Improve- ments	Other Govern- mental Funds	Total Govern- mental Funds
Assets						
Cash and investments	\$ 61,665,044	\$ 8,132,755	\$ 17,586,235	\$ 22,439,201	\$ 13,628,627	\$ 123,451,862
Investments - restricted	-	-	-	1,645,949	-	1,645,949
Property taxes receivable, (net of allowance for uncollectibles) - Note 4	17,360,037	-	-	-	-	17,360,037
Receivables, (net of allowance for uncollectibles) - Note 4	4,405,904	20,797	-	6,583,266	254,795	11,264,762
Leases receivable	317,938	-	-	-	-	317,938
Due from other governments - Note 5	12,017,180	2,415,407	-	725,422	-	15,158,009
Prepaid items	147,303	302,452	-	299	-	450,054
Inventories	139,541	-	-	-	-	139,541
Total assets	<u>\$ 96,052,947</u>	<u>\$ 10,871,411</u>	<u>\$ 17,586,235</u>	<u>\$ 31,394,137</u>	<u>\$ 13,883,422</u>	<u>\$ 169,788,152</u>
Liabilities						
Accounts payable and accrued liabilities	\$ 4,799,058	\$ 2,670,001	\$ 10,507	\$ 2,460,106	\$ 67,253	\$ 10,006,925
Unearned revenue	-	30,581	17,575,728	-	-	17,606,309
Amounts held for others	1,768,738	-	-	-	-	1,768,738
Total liabilities	<u>\$ 6,567,796</u>	<u>\$ 2,700,582</u>	<u>\$ 17,586,235</u>	<u>\$ 2,460,106</u>	<u>\$ 67,253</u>	<u>\$ 29,381,972</u>
Deferred Inflows of resources						
Unavailable revenue, property tax - Note 9	\$ 13,963,259	\$ -	\$ -	\$ -	\$ -	\$ 13,963,259
Unavailable revenue, leases	307,272	-	-	-	-	307,272
Unavailable revenue, opioid settlement	975,192	-	-	-	-	975,192
Total deferred inflows of resources	<u>\$ 15,245,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,245,723</u>
Fund Balance						
Nonspendable:						
Inventories and prepaid items	\$ 286,844	\$ -	\$ -	\$ 299	\$ -	\$ 287,143
Net leases receivable	10,666	-	-	-	-	10,666
Restricted:						
Grant compliance	-	8,170,829	-	-	-	8,170,829
Capital projects	-	-	-	1,645,949	-	1,645,949
Committed:						
General government administration	3,883,060	-	-	-	-	3,883,060
Judicial administration	375,471	-	-	-	-	375,471
Public safety	3,491,177	-	-	-	-	3,491,177
Public works	212,409	-	-	-	-	212,409
Health and welfare	50,000	-	-	-	-	50,000
Parks and recreation	55,000	-	-	-	-	55,000
Community development	1,193,873	-	-	-	-	1,193,873
Transfers, contingencies and refunds	2,234,866	-	-	-	-	2,234,866
General capital projects	-	-	-	27,287,783	-	27,287,783
Storm water projects	-	-	-	-	3,805,915	3,805,915
Special revenue	-	-	-	-	10,010,254	10,010,254
Education - School Reserve Fund	2,146,237	-	-	-	-	2,146,237
Unassigned	60,299,825	-	-	-	-	60,299,825
Total fund balance	<u>\$ 74,239,428</u>	<u>\$ 8,170,829</u>	<u>\$ -</u>	<u>\$ 28,934,031</u>	<u>\$ 13,816,169</u>	<u>\$ 125,160,457</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 96,052,947</u>	<u>\$ 10,871,411</u>	<u>\$ 17,586,235</u>	<u>\$ 31,394,137</u>	<u>\$ 13,883,422</u>	<u>\$ 169,788,152</u>

The accompanying notes to financial statements are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
At June 30, 2022

Total fund balances for governmental funds (Exhibit 3)	\$	125,160,457
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	\$	11,704,520
Construction in progress		8,368,217
School Board construction in progress		40,012,394
Buildings and improvements, net of accumulated depreciation		48,527,907
Other improvements, net of accumulated depreciation		5,322,267
Furniture, equipment and vehicles, net of accumulated depreciation		13,057,281
School Board capital assets, net of accumulated depreciation		80,016,460
Total net capital assets		207,009,046
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:		
		13,490,767
Some of the County's property taxes will be collected after year-end but are not available soon enough to pay for the current year's expenditures and therefore, are reported as unavailable revenue in the funds.		
		8,922,633
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Deferred inflows related to pensions		(24,354,006)
Deferred inflows related to OPEB		(3,536,479)
Deferred inflows related to opioid settlement		975,192
Pension and OPEB contributions subsequent to the measurement date and other deferred outflows will be a reduction to the net pension and OPEB liabilities in the next fiscal year and, therefore, are not reported in the funds.		
Deferred outflows related to pensions		17,887,064
Deferred outflows related to OPEB		1,749,469
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 and incurred defeasance costs when refunding debt. The premium and defeasance costs will be amortized over the life of the new bond issue as interest is paid. Balances of long-term liabilities affecting net position are as follows:		
Accrued interest payable	\$	(1,043,513)
General obligation bonds		(50,430,000)
Public facility revenue and refunding bonds		(129,255,001)
Net pension liability		(21,958,110)
Net OPEB liabilities		(15,218,940)
Unamortized bond premium		(18,430,616)
Deferred amount on refunding		267,204
Compensated absences		(5,497,181)
		(241,566,157)
Total net position of governmental activities (Exhibits 1 and 2)	\$	<u>105,737,986</u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2022

	General Fund	Federal/ State Grants Fund	CARES ACT and ARPA Fund	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 232,723,027	\$ -	\$ -	\$ -	\$ -	\$ 232,723,027
Other local taxes	63,978,126	-	-	-	1,929,213	65,907,339
Permits, privilege fees and regulatory licenses	3,605,609	-	-	-	20,505	3,626,114
Fines and forfeitures	310,213	-	-	-	-	310,213
Use of money and property	1,476,624	1,149	-	34,979	83,292	1,596,044
Charges for services	4,220,164	-	-	-	12,989	4,233,153
Miscellaneous	754,684	822,815	-	2,254,996	-	3,832,495
Recovered costs	1,419,539	117,002	-	6,790,999	-	8,327,540
Intergovernmental:						
Contribution from School Board	41,183	2,100,000	-	-	-	2,141,183
Commonwealth	27,685,472	7,889,543	-	1,004,204	740,503	37,319,722
Federal Government	7,572,391	5,282,185	4,123,132	263,950	80,155	17,321,813
Total revenues	\$ 343,787,032	\$ 16,212,694	\$ 4,123,132	\$ 10,349,128	\$ 2,866,657	\$ 377,338,643
Expenditures						
Current:						
General government administration	\$ 20,283,697	\$ 106,447	\$ 96,886	\$ -	\$ -	\$ 20,487,030
Judicial administration	6,254,372	2,268	41,984	-	-	6,298,624
Public safety	49,999,504	2,274,327	772,983	-	-	53,046,814
Public works	7,461,164	-	190,810	-	89,041	7,741,015
Health and welfare	20,849,841	11,219,602	2,662,680	-	-	34,732,123
Education - local community college	-	-	-	-	-	-
Education - public school system	159,350,640	-	-	300,000	-	159,650,640
Parks, recreation and cultural	8,751,407	25,000	50,000	-	-	8,826,407
Community development	25,969,194	4,031,453	307,789	-	202,832	30,511,268
Contingencies	1,179,255	-	-	-	-	1,179,255
Debt service:						
Principal payments	-	-	-	-	36,081,559	36,081,559
Interest and fiscal charges	-	-	-	258,821	7,733,298	7,992,119
Capital projects	-	-	-	18,158,925	64,634	18,223,559
Total expenditures	\$ 300,099,074	\$ 17,659,097	\$ 4,123,132	\$ 18,717,746	\$ 44,171,364	\$ 384,770,413
Excess (deficiency) of revenues over (under) expenditures	\$ 43,687,958	\$ (1,446,403)	\$ -	\$ (8,368,618)	\$ (41,304,707)	\$ (7,431,770)
Other financing sources (uses)						
Issuance of refunding bonds	\$ -	\$ -	\$ -	\$ -	\$ 16,920,000	\$ 16,920,000
Premium on debt	-	-	-	-	3,394,937	3,394,937
Transfers in	4,195,745	4,946,529	-	20,569,539	29,616,324	59,328,137
Transfers (out)	(55,164,035)	(404,010)	-	(650,359)	(3,062,744)	(59,281,148)
Total other financing sources (uses)	\$ (50,968,290)	\$ 4,542,519	\$ -	\$ 19,919,180	\$ 46,868,517	\$ 20,361,926
Net change in fund balance	\$ (7,280,332)	\$ 3,096,116	\$ -	\$ 11,550,562	\$ 5,563,810	\$ 12,930,156
Fund balance, beginning of year	81,519,760	5,074,713	-	17,383,469	8,252,359	112,230,301
Fund balance, end of year	\$ 74,239,428	\$ 8,170,829	\$ -	\$ 28,934,031	\$ 13,816,169	\$ 125,160,457

The accompanying notes to financial statements are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds (Exhibit 5) \$ 12,930,156

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 current period is as follows:

Capital outlay additions:

Construction in progress additions	\$ 3,978,871	
Construction in progress deletions	(2,025,489)	
Building and improvements additions	16,182	
Other improvements additions	2,019,376	
Furniture, equipment and vehicle additions	<u>3,058,006</u>	\$ 7,046,946
Depreciation expense		<u>(9,628,546)</u> (2,581,600)

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. (48,167)

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	\$ 19,655,557	
School construction in progress deletions	(714,374)	
School buildings and improvements additions	714,374	
School buildings and improvements deletions	(12,127,396)	
Transfer of depreciation	<u>7,608,752</u>	15,136,913

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. 2,133,898

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

(Increase) decrease in deferred inflows related to the measurement of the net pension liability	(24,354,006)
(Increase) decrease in deferred inflows related to leases	(307,272)
(Increase) decrease in deferred inflows related to the measurement of the net OPEB liability	(2,233,368)

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.

Less general obligation bond proceeds	\$ (16,920,000)	
Less premium on debt issued	(3,394,937)	
Repayments:		
General obligation school bonds	7,085,000	
Public facility revenue bonds	28,975,000	
Virginia Resource Authority	<u>21,559</u>	15,766,622

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	\$ (418,140)	
Amortization of deferred amount on refunding	(27,464)	
Amortization of bond premium	2,988,129	
Net pension liability	26,802,635	
Net OPEB liabilities	2,274,616	
Increase (decrease) in deferred outflows related to the measurement of the net pension liability	(1,899,029)	
Increase (decrease) in deferred outflows related to the measurement of the net OPEB liabilities	170,233	
Accrued interest payable	<u>(79,054)</u>	
Net adjustment		29,811,926

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. (4,676,393)

Change in net position of governmental activities (Exhibit 2)	\$ <u>41,885,981</u>
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The accompanying notes to financial statements are an integral part of this statement.

Statement of Net Position
 Proprietary Funds
 At June 30, 2022

	Governmental Activities
	Internal Service Funds
Assets	
Current assets:	
Cash and investments	\$ 16,616,698
Receivables, (net of allowance for doubtful accounts)	354,414
Prepaid expenses	<u>43,088</u>
Total assets	\$ <u><u>17,014,200</u></u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 74,001
Reconciled overdraft	8,510
Claims payable:	
Due within one year	<u>3,440,922</u>
Total liabilities	\$ <u><u>3,523,433</u></u>
Net Position	
Unrestricted	\$ <u>13,490,767</u>
Total liabilities and net position	\$ <u><u>17,014,200</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2022

	Governmental Activities
	Internal Service Funds
Operating revenues	
Charges for services, net	\$ 34,540,521
Operating expenses	
Benefits and related expenses	\$ 37,597,752
Services and supplies	1,637,356
Total operating expenses	\$ 39,235,108
Operating income (loss)	\$ (4,694,587)
Nonoperating revenues (expenses)	
Interest income	\$ 65,183
Transfers	
Transfers (out)	\$ (46,989)
Net transfers	\$ (46,989)
Change in net position	\$ (4,676,393)
Net position, beginning of year	18,167,160
Net position, end of year	\$ 13,490,767

The accompanying notes to financial statements are an integral part of this statement.

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2022

	Governmental Activities Internal Service Funds
Cash flows from operating activities	
Receipts from insured	\$ 32,674,612
Receipts from services	1,637,110
Payments to suppliers	<u>(38,711,195)</u>
Net cash provided by (used for) operating activities	\$ <u>(4,399,473)</u>
Cash flows from noncapital financing activities	
Transfers	\$ <u>(46,989)</u>
Cash flows from investing activities	
Interest income	\$ <u>65,183</u>
Net increase (decrease) in cash and cash equivalents	\$ (4,381,279)
Cash and cash equivalents, beginning of year	<u>20,997,977</u>
Cash and cash equivalents, end of year	\$ <u><u>16,616,698</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (4,694,587)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Changes in assets and liabilities:	
Receivables, net	(224,456)
Prepaid expenses	22,167
Accounts payable and accrued liabilities	18,889
Reconciled overdraft	(4,343)
Claims payable	<u>482,857</u>
Net cash provided by (used for) operating activities	\$ <u><u>(4,399,473)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

Statement of Fiduciary Net Position
 Fiduciary Funds
 At June 30, 2022

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and investments	\$ 9,794,988	\$ 10,861,145
Investments with trustee	414,922	-
Accounts receivable	319,451	1,690,616
Total assets	\$ 10,529,361	\$ 12,551,761
Liabilities		
Accounts payable	\$ -	\$ 5,824,791
Total liabilities	\$ -	\$ 5,824,791
Net Position		
Restricted	\$ 10,529,361	\$ 6,726,970

The accompanying notes to financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2022

	Private Purpose Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Additions		
Investment earnings (losses)	\$ 8,696	\$ 12,494
Contributions	-	141,731,580
Proffers	<u>2,380,370</u>	<u>-</u>
Total additions	\$ <u>2,389,066</u>	\$ <u>141,744,074</u>
Deductions		
General	\$ 741	\$ 145,563,191
Contributions	<u>1,553,160</u>	<u>-</u>
Total deductions	\$ <u>1,553,901</u>	\$ <u>145,563,191</u>
Change in net position	\$ 835,165	\$ (3,819,117)
Net position, beginning of year	<u>9,694,196</u>	<u>10,546,087</u>
Net position, end of year	<u>\$ 10,529,361</u>	<u>\$ 6,726,970</u>

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022

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 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 and business-type activities) and its discretely presented component unit. 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.
- 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).

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

- 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 accounting principles generally accepted in the United States, these financial statements present the primary government and its component unit, entity 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 unit, on the other hand, is reported in a separate column in the government-wide statements to emphasize it is legally separate from the primary government. The discretely presented component unit has a June 30 fiscal year-end.

Inclusions in the Reporting Entity:

1. Component Unit:

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.

Exclusions from the Reporting Entity:

1. Jointly-Governed Organizations:

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly Governed Organizations: (Continued)

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 \$4,717,255 in operating funds in fiscal year 2022. The County has no equity interest in the Library.

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.

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly-Governed Organizations: (Continued)

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.

Region Ten Community Services Board

The Region Ten Community Services Board was created to provide Health, Intellectual Disability, and Substance Abuse Services to the residents of the City of Charlottesville and the Counties of Albemarle, Fluvanna, Greene, and Nelson. The Board members are appointed by each participant locality. No locality appoints a majority of the Board members. The participating localities contribute annual operating grants to the Board but are not required to do so. The participants have no ongoing financial responsibilities to or equity interest in the Board.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly-Governed Organizations: (Continued)

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 2022, the County contributed \$544,658 in operating grants to the Commission. The County has no equity interest in the Commission.

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

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

Albemarle County Service Authority
168 Spotnap Road
Charlottesville, Virginia 22902

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

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

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

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

Region Ten Community Services Board
800 Preston Avenue
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 of the governmental and business-type categories, 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. Nonoperating 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.

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 agency). 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 in fiscal year 2022.

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.

CARES Act and ARPA Fund - The fund accounts for CARES Act federal grant funds received for COVID-19. The CARES Act 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)

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.

- 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.

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.

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.

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.

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.

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:

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.

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

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.

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.

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.

Economic Development Authority Fund - This fund accounts for amounts to be used for economic development purposes.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (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)

b. Custodial Funds: (Continued)

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.

4. Component Unit:

Albemarle County School Board:

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.

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 unit School Board) 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 unit School Board. All appropriations are legally controlled at the department level for the primary government funds. The School Board appropriation is 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 accounting principles generally accepted in the United States on a basis consistent with the legally-adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

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, 2022, amounts reappropriated by the Board totaled \$11,495,856.

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, CARES Act and ARPA, Courthouse Maintenance, Tourism, General Debt Service, School Debt Service, Stormwater Control, 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, 2022, as adopted, appropriated and legally amended.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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 \$510,616 at June 30, 2022 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
Leased buildings	5 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 \$5,497,181.

Component Unit School Board

Certain School Board employees accrue vacation and sick leave.

The School Board has outstanding accrued vacation and sick pay totaling \$4,771,476.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

M. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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.

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.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes report 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. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is 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 and 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 net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

U. Adoption of Accounting Principles

The County implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the lease(s):

	Governmental Activities	General Fund	Component Unit School Board
Leasee activity			
Lease assets	\$ -	\$ -	\$ 2,221,532
Lease liabilities	\$ -	\$ -	\$ 2,221,532
Lessor activity:			
Lease receivable	\$ 371,182	\$ 371,182	
Deferred inflows of resources - Leases	\$ 371,182	\$ 371,182	

V. Upcoming Pronouncements

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, enhances the comparability in accounting and financial reporting and improves 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 effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

V. Upcoming Pronouncements: (Continued)

Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101, Compensated Absences, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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).

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (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, 2022 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 Fund	\$ -	\$ 326,352	
Virginia State Non-Arbitrage Program	1,944,060	-	
Local Government Investment Pool	74,693,535	-	
Total	\$ 76,637,595	\$ 326,352	

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 generally accepted accounting principles. 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.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

The County has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Fair Value Measurement Using	
	6/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual Funds	\$ 326,352	\$ 326,352
Total	\$ 326,352	\$ 326,352

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, 2022, 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	\$ 1,944,060	\$ 1,944,060
Local Government Investment Pool	74,693,535	74,693,535
Total	\$ 76,637,595	\$ 76,637,595

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Restricted Investments

Restricted investments at June 30, 2022 are comprised of the following:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Governmental Activities:		
Capital Projects Fund:		
General projects unexpended bond proceeds	\$ 1,645,949	\$ 274,327
Total	\$ <u>1,645,949</u>	\$ <u>274,327</u>

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 2022 were levied by the County Board of Supervisors on May 4, 2022, on the assessed value listed as of January 1, 2022.

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 2022, but due in December 2022, 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.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 4—RECEIVABLES:

Receivables at June 30, 2022 consist of the following:

	Primary Government Governmental Activities					Component Unit
	General	Federal/ State Grants Fund	General Capital Improvements	Other Governmental Funds	Total	School Board
Property taxes	\$ 17,870,653	\$ -	\$ -	\$ -	\$ 17,870,653	\$ -
Other	4,405,904	20,797	6,583,266	254,795	11,264,762	267,646
Total	\$ 22,276,557	\$ 20,797	\$ 6,583,266	\$ 254,795	\$ 29,135,415	\$ 267,646
Allowance for uncollectibles	(510,616)	-	-	-	(510,616)	-
Net receivables	\$ 21,765,941	\$ 20,797	\$ 6,583,266	\$ 254,795	\$ 28,624,799	\$ 267,646

NOTE 5—DUE FROM OTHER GOVERNMENTS:

Due from other governments at June 30, 2022 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	\$ 3,828,714	\$ -	\$ -	\$ 3,828,714	\$ -
State sales taxes	-	-	-	-	3,698,121
PPTRA	6,783,357	-	-	6,783,357	-
Communications tax	270,233	-	-	270,233	-
Comprehensive Services Act	-	1,863,336	-	1,863,336	-
Shared expenses	199,399	-	-	199,399	-
Public assistance grants	213,448	-	-	213,448	-
Other state funds	-	36,250	705,040	741,290	1,253,221
Federal government:					
School funds	-	-	-	-	11,174,476
Public assistance grants	722,029	-	-	722,029	-
Other federal funds	-	515,821	20,382	536,203	-
Total	\$ 12,017,180	\$ 2,415,407	\$ 725,422	\$ 15,158,009	\$ 16,125,818

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (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, 2022.

Transfers To/From Other Funds

General Fund

Federal/State Grants Fund for other costs	\$ 404,010
Computer Replacement Fund for other costs	46,989
Capital Projects	895,296
Water resources for costs expended	1,349,450
Tourism Fund for tourism program costs expended	1,500,000
Total General Fund	<u>\$ 4,195,745</u>

Federal/State Grants Fund

General and other funds for local match funds for various grant programs	<u>\$ 4,946,529</u>
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General Debt Service

General and other funds for debt service expenditures	<u>\$ 7,011,587</u>
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School Debt Service

General Fund for debt service expenditures	<u>\$ 16,057,969</u>
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General Capital Improvements:

General Fund for capital projects	\$ 20,553,563
Courthouse Maintenance Fund for building renovations and other costs	15,976

Total General Capital Improvements Fund	<u>\$ 20,569,539</u>
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Economic Development Fund

General Fund for economic development	<u>\$ 5,000,000</u>
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Water Resources Fund

General Fund for water resources projects	<u>\$ 1,546,768</u>
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Total transfers	<u><u>\$ 59,328,137</u></u>
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COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 7—CAPITAL ASSETS:

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2022:

Governmental Activities:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 11,704,520	\$ -	\$ -	\$ 11,704,520
Construction in progress	6,414,835	3,978,871	2,025,489	8,368,217
School construction in progress *	21,071,211	19,655,557	714,374	40,012,394
Total capital assets not being depreciated	\$ 39,190,566	\$ 23,634,428	\$ 2,739,863	\$ 60,085,131
Capital assets being depreciated:				
Buildings and improvements	\$ 90,744,936	\$ 16,182	\$ -	\$ 90,761,118
Other improvements	13,350,143	2,019,376	-	15,369,519
School buildings and improvements *	96,223,070	714,374	12,127,396	84,810,048
Furniture, equipment and vehicles	68,084,983	3,058,006	48,167	71,094,822
Total capital assets being depreciated	\$ 268,403,132	\$ 5,807,938	\$ 12,175,563	\$ 262,035,507
Accumulated depreciation:				
Buildings and improvements	\$ 40,065,854	\$ 2,167,357	\$ -	\$ 42,233,211
Other improvements	9,628,351	418,901	-	10,047,252
School buildings and improvements *	9,328,485	3,073,855	7,608,752	4,793,588
Furniture, equipment and vehicles	54,069,108	3,968,433	-	58,037,541
Total accumulated depreciation	\$ 113,091,798	\$ 9,628,546	\$ 7,608,752	\$ 115,111,592
Total capital assets being depreciated, net	\$ 155,311,334	\$ (3,820,608)	\$ 4,566,811	\$ 146,923,915
Governmental activities capital assets, net	\$ 194,501,900	\$ 19,813,820	\$ 7,306,674	\$ 207,009,046
Depreciation expense was allocated as follows:				
General government administration		\$ 2,023,932		
Judicial administration		359,613		
Public safety		3,299,971		
Public works		16,815		
Health and welfare		13,061		
Education		3,082,677		
Parks, recreation and cultural		772,529		
Community development		59,948		
Total depreciation expense		\$ 9,628,546		

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements June 30, 2022 (Continued)

NOTE 7—CAPITAL ASSETS: (CONTINUED)

Component Unit School Board:

	Balance July 1, 2021**	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:				
Land and land improvements	\$ 6,174,142	\$ -	\$ -	\$ 6,174,142
Construction in progress	21,071,211	22,706,690	714,374	43,063,527
School construction in progress allocated to County *	(21,071,211)	(19,655,557)	(714,374)	(40,012,394)
Total capital assets not being depreciated	\$ 6,174,142	\$ 3,051,133	\$ -	\$ 9,225,275
Capital assets being depreciated:				
Buildings and improvements	\$ 319,315,801	\$ 3,049,074	\$ -	\$ 322,364,875
Leased buildings	2,221,532	-	-	2,221,532
Other improvements	24,620,486	-	-	24,620,486
School buildings and improvements*	(96,223,070)	(714,374)	(12,127,396)	(84,810,048)
Furniture, equipment and vehicles	48,846,523	2,542,492	-	51,389,015
Total capital assets being depreciated	\$ 298,781,272	\$ 4,877,192	\$ (12,127,396)	\$ 315,785,860
Accumulated depreciation:				
Buildings and improvements	\$ 192,051,768	\$ 10,200,573	\$ -	\$ 202,252,341
Leased buildings	-	544,049	-	544,049
Other improvements	12,309,117	1,293,043	-	13,602,160
School buildings and improvements *	(9,328,485)	(3,073,855)	(7,608,752)	(4,793,588)
Furniture, equipment and vehicles	43,506,395	1,890,241	-	45,396,636
Total accumulated depreciation	\$ 238,538,795	\$ 10,854,051	\$ (7,608,752)	\$ 257,001,598
Total capital assets being depreciated, net	\$ 60,242,477	\$ (5,976,859)	\$ (4,518,644)	\$ 58,784,262
School board capital assets, net	\$ 66,416,619	\$ (2,925,726)	\$ (4,518,644)	\$ 68,009,537
Depreciation expense allocated to education		\$ 10,854,051		

** Beginning balances have been adjusted for the implementation of GASB 87

* 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.

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

Net capital assets	\$ 207,009,046
Long-term debt applicable to capital assets at June 30, 2021:	
General obligation school bonds	\$ 50,430,000
School - Public facility revenue bonds	74,666,768
County - Public facility revenue bonds	54,588,233
Premium on bonds payable	18,430,616
Deferred amount for issuance premiums	(267,204)
	\$ 197,848,413
Less-debt proceeds received but not expended on capital assets at June 30, 2022	(1,920,276)
Net long-term debt	\$ 195,928,137
Net investment in capital assets	\$ 11,080,909

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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, 2022:

	Balance July 1, 2021	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2022	Amounts Due Within One Year
General obligation school bonds:					
Direct Borrowings and Direct Placements	\$ 57,515,000	\$ -	\$ 7,085,000	\$ 50,430,000	\$ 6,045,000
School - Public facility revenue bonds:					
Public Offerings	79,709,164	4,556,556	9,598,952	74,666,768	5,206,180
County - Public facility revenue bonds:					
Public Offerings	61,600,837	12,363,444	19,376,048	54,588,233	4,743,820
Virginia Resource Authority:					
Direct Borrowings and Direct Placements	21,559	-	21,559	-	-
Premium on bonds payable	18,023,808	3,394,937	2,988,129	18,430,616	2,580,652
Claims payable	2,958,065	33,381,924	32,899,067	3,440,922	3,440,922
Net pension liability	48,760,745	29,106,718	55,909,353	21,958,110	-
Net OPEB liability:					
Net Health Insurance OPEB liability	\$ 13,818,723	\$ 1,838,296	\$ 3,034,852	\$ 12,622,167	\$ -
Net Group Life Insurance OPEB liability	3,674,833	888,944	1,967,004	2,596,773	-
Total net OPEB liability	\$ 17,493,556	\$ 2,727,240	\$ 5,001,856	\$ 15,218,940	\$ -
Compensated absences	5,079,041	926,044	507,904	5,497,181	549,718
Total primary government	\$ 291,161,775	\$ 86,456,863	\$ 133,387,868	\$ 244,230,770	\$ 22,566,292
Reconciliation to Exhibit 1:					
Long-term liabilities due within one year:				\$ 22,566,292	
Long-term liabilities due in more than one year:				221,664,478	
Total long-term obligations				\$ 244,230,770	

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

Year Ending June 30,	Direct Borrowings and Direct Placements		Revenue & Refunding Bonds			
	General Obligation School Bonds		School Public Facility		County Public Facility	
			Public Offerings		Public Offerings	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 6,045,000	\$ 2,104,623	\$ 5,206,180	\$ 2,852,703	\$ 4,743,820	\$ 2,363,956
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	4,267,166	1,814,719
2026	5,035,000	1,321,021	4,697,840	2,182,526	4,532,161	1,620,638
2027	4,740,000	1,090,609	4,213,506	2,000,093	3,116,495	1,406,351
2028	3,985,000	883,854	4,030,709	1,798,533	3,189,290	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	3,390,558	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	317,481	4,259,258	846,603	3,655,743	513,516
2034	1,900,000	262,131	3,881,877	679,803	2,328,124	363,047
2035	1,965,000	200,381	3,998,636	560,567	2,401,363	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	1,103,995	22,080
	<u>\$ 50,430,000</u>	<u>\$ 11,916,551</u>	<u>\$ 74,666,768</u>	<u>\$ 22,391,342</u>	<u>\$ 54,588,233</u>	<u>\$ 15,789,627</u>

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations outstanding at June 30, 2022 are as follows:

	<u>Amount Outstanding</u>
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%	\$ 14,784,972
\$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%	8,120,176
\$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%	17,753,344
\$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%	1,566,297
\$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%	12,363,444
Total County public facilities revenue bonds	\$ 54,588,233
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%	\$ 45,766,656
\$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%	6,668,703

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations: (Continued)

	<u>Amount Outstanding</u>
School Public Facilities Revenue Bonds: (Continued)	
Public Offerings: (Continued)	
\$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%	8,989,825
\$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%	8,685,028
\$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%	4,556,556
Total School public facilities revenue bonds	\$ 74,666,768
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%	\$ 25,175,000
\$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	1,000,000
\$8,365,000, 2002A Series, issued October 15, 2002, maturing in various annual installments through July 15, 2022, interest payable semi-annually at rates from 2.35% to 5.10%	415,000
\$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%	670,000
\$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%	1,335,000

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations: (Continued)

	<u>Amount Outstanding</u>
General Obligation School Bonds: (Continued)	
Direct Borrowings and Direct Placements: (Continued)	
\$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%	\$ 1,460,000
\$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 4.23% to 5.10%	3,750,000
\$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%	3,390,000
\$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%	9,800,000
\$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%	3,435,000
Total general obligation school bonds	\$ 50,430,000
Compensated absences	\$ 5,497,181
Claims payable	\$ 3,440,922
Net pension liability	\$ 21,958,110
Net Health Insurance OPEB Obligation	\$ 12,622,167
Net Group Life Insurance OPEB Obligation	\$ 2,596,773
Unamortized bond premiums	\$ 18,430,616
Total long-term obligations	\$ 244,230,770

Federal Arbitrage Regulations:

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.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (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, 2022.

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
Compensated absences	\$ 4,763,843	\$ 484,017	\$ 476,384	\$ 4,771,476	\$ 476,384
School Energy Improvement Loan	6,437,158	-	619,516	5,817,642	658,354
Lease liabilities	2,221,532	-	475,721	1,745,811	517,735
Net pension liability	170,914,337	29,481,021	112,411,518	87,983,840	-
Net OPEB Liability:					
Net HIC OPEB obligation	\$ 15,620,698	\$ 2,210,075	\$ 2,808,212	\$ 15,022,561	\$ -
Net Group Life Insurance OPEB liability	9,083,977	1,882,562	4,767,144	6,199,395	-
Net Health Insurance OPEB liability	28,292,826	4,819,702	5,381,001	27,731,527	-
Total net OPEB Liability	\$ 52,997,501	\$ 8,912,339	\$ 12,956,357	\$ 48,953,483	\$ -
Total	\$ 237,334,371	\$ 38,877,377	\$ 126,939,496	\$ 149,272,252	\$ 1,652,473
Reconciliation to Exhibit 1:					
Long-term liabilities due within one year				\$ 1,652,473	
Long-term liabilities due in more than one year				147,619,779	
Total long-term debt				\$ 149,272,252	

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

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

Year Ending June 30,	School Energy Improvement Loan		Lease Liabilities	
	Principal	Interest	Principal	Interest
2023	\$ 658,354	\$ 192,645	\$ 517,735	\$ 75,566
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	-	-
	\$ 5,817,642	\$ 840,902	\$ 1,745,811	\$ 143,852

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit—School Board: (Continued)

Details of Long-term obligations are as follows:

	<u>Amount Outstanding</u>
School Energy Improvement Loan	
\$7,821,492, School Energy Improvement Lease, issued September 28, 2017, maturing in various annual installments through August 15, 2029, interest payable semi-annually at 3.510%	\$ 5,817,642
Lease liabilities	\$ 1,745,811
Compensated absences	\$ 4,771,476
Net pension liability - professional	\$ 87,983,840
Net OPEB liabilities	\$ 48,953,483
Total long-term obligations	<u>\$ 149,272,252</u>

Current Refunding of Debt:

On March 30, 2022 the county issued public facility revenue refunding bonds to currently refund its 2013 public facility revenue bonds. This refunding was undertaken to reduce the total debt service over the next eleven years by \$2,618,981 and resulted in an economic gain of \$2,350,579.

NOTE 9—UNEARNED AND DEFERRED/UNAVAILABLE REVENUE:

The following is a summary of unearned revenue for the year ended June 30, 2022.

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.

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
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	\$ -	\$ 8,922,633
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year	5,040,626	5,040,626
Total deferred/unavailable revenue	<u>\$ 5,040,626</u>	<u>\$ 13,963,259</u>

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (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 was named as a party along with the City of Charlottesville and Rivanna Solid Waste Authority as defendants relating to the operation of the Ivy Landfill. The plaintiffs allege that pollutants have been and are being discharged into the air, and underground and surface waters in violation of various federal and state laws. The plaintiffs sought injunctive relief of \$25,000 per day in civil penalties for violations of federal and state environmental laws and \$5,000,000 in compensatory damages, and payment of all attorneys' fees. The lawsuit has been settled and dismissed by all plaintiffs except for two. Those lawsuits were dismissed without prejudice and may be re-filed. The County has no identified insurance coverage for the claim if it is re-filed. Counsel is of the opinion that the lawsuit, if re-filed, has potential liability for the County primarily arising from the claim, which could require removal of pollutants from the landfill if they are contaminating adjacent properties, and for related attorney fees. Counsel is of the opinion that the County's liability appears to be limited by the ability of the Rivanna Solid Waste Authority to fund appropriate remediation and settlement of the claims.
- C. Blue Ridge Juvenile Detention Commission - The County, the City of Charlottesville and the Counties of Greene and Fluvanna formed the Commission to construct and operate the facility. At June 30, 2002 the facility construction was complete, and operations commenced in July, 2002.
- D. On June 27, 2003 the County entered into an agreement with Motorola, Inc. for the purchase of a communication system (basic emergency services radio system and communications towers). The City of Charlottesville and University of Virginia are also parties to this agreement. The financing of the project was provided by a lease/purchase agreement with Motorola in the amount of \$7,000,000 in which the County was the bearer of the debt. The City of Charlottesville received a grant from the federal government in the amount of \$6,000,000 for the project and will pass through a portion of these funds to the County as fiscal agent for the Emergency Communications Center (the operator of the system) as the project is completed. Each locality will be responsible for the purchase and maintenance of the radio equipment that will be installed in their law enforcement and emergency services facilities and vehicles. The County has committed to provide its share of the local funding for this project and for the purchase and maintenance of radio equipment to be installed in the County's law enforcement and emergency services facilities and vehicles.
- E. There are a number of matters of litigation involving the County Police Department and certain police officers. All of these matters have been referred to the County's insurance carriers which are handling the matters. Counsel is of the opinion that the County has no liability in the matters other than the financial responsibilities to the insurance carriers.
- F. There are a number of other ongoing capital projects that have been approved and for which funds have been designated to finance them.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (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 2022 were \$29,747 and \$131,632, respectively. The average payroll for covered County employees was \$362,590 and \$2,242,675 for School Board employees, respectively. The contribution averaged 8.20% and 5.87% 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 \$15,411,834 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.

NOTE 13—PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. However, several entities whose financial information is not included in the primary government report participate in the VRS plan through County of Albemarle and the participating entities report their proportionate information on the basis of a cost-sharing plan. 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.

Benefit Structures

The System administers three different benefit structures for covered employees - Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

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 County's contractually-required contribution rate for the year ended June 30, 2022 was 14.12% of covered employee compensation. This rate was based on an actuarially-determined rate from an actuarial valuation as of June 30, 2020.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$6,688,051 and \$6,227,157 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

At June 30, 2022, the County reported a liability of \$21,958,110 for its proportionate share of the net pension liability. The County's net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Net Pension Liability: (Continued)

June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. In order to allocate the net pension liability to all employers included in the plan, the County is required to determine its proportionate share of the net pension liability. Creditable compensation as of June 30, 2021 and 2020, was used as a basis for allocation to determine the County's proportionate share of the net pension liability. At June 30, 2021, and June 30, 2020, the County's proportion was 94.59% and 95.01%, respectively.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's Retirement Plan and the County Public Schools Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service-related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

The actuarial assumptions used in the June 30, 2020 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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

All Others (Non-10 Largest) - Hazardous Duty: 45% of deaths are assumed to be service-related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits: (Continued)

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 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:

All Others (Non-10 Largest) -Hazardous Duty

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—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)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

* The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was 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%.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—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; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating employers and school divisions 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.

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

The following presents the County's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the County'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:

	Rate		
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 53,301,530	\$ 21,958,110	\$ (3,786,403)

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2022, the County recognized pension expense of \$5,997,361. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,350,111	\$ 2,064,352
Difference in proportionate share	-	211,217
Change in assumptions	7,848,902	-
Net difference between projected and actual earnings on pension plan investments	-	22,078,437
Employer contributions subsequent to the measurement date	6,688,051	-
Total	<u>\$ 17,887,064</u>	<u>\$ 24,354,006</u>

\$6,688,051 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. 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	Primary Government
2023	\$ (276,766)
2024	(2,245,291)
2025	(3,936,314)
2026	(6,696,622)
Thereafter	-

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional)

Plan Description

Additional information related to the plan description, plan contribution requirements, actuarial assumptions, long-term expected rate of return, and discount rate is included in the first section of this note.

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	212
Inactive members:	
Vested inactive members	45
Non-vested inactive members	150
Inactive members active elsewhere in VRS	133
Total inactive members	328
Active members	343
Total covered employees	883

Contributions

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022, was 4.34% of covered employee compensation. This rate was based on an actuarially-determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$375,379 and \$327,696 for the years ended June 30, 2022, and June 30, 2021, respectively.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional): (Continued)

Net Pension Liability

The Component Unit School Board's (nonprofessional) net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 32,245,612	\$ 30,716,567	\$ 1,529,045
Changes for the year:			
Service cost	\$ 794,724	\$ -	\$ 794,724
Interest	2,121,112	-	2,121,112
Changes of assumptions	1,076,677	-	1,076,677
Differences between expected and actual experience	(544,047)	-	(544,047)
Contributions - employer	-	324,181	(324,181)
Contributions - employee	-	436,863	(436,863)
Net investment income	-	8,317,902	(8,317,902)
Benefit payments, including refunds of employee contributions	(1,643,452)	(1,643,452)	-
Administrative expenses	-	(20,973)	20,973
Other changes	-	782	(782)
Net changes	\$ 1,805,014	\$ 7,415,303	\$ (5,610,289)
Balances at June 30, 2021	\$ 34,050,626	\$ 38,131,870	\$ (4,081,244)

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional): (Continued)

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

The following presents the net pension liability (asset) of the Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the Component Unit School Board's (nonprofessional) 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:

	Rate		
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (12,204)	\$ (4,081,244)	\$ (7,460,282)

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

For the year ended June 30, 2022, the Component Unit School Board (nonprofessional) recognized pension expense of (\$294,623). At June 30, 2022, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,441	\$ 328,155
Changes of assumptions	649,424	-
Net difference between projected and actual earnings on pension plan investments	-	4,120,218
Employer contributions subsequent to the measurement date	375,379	-
Total	\$ 1,061,244	\$ 4,448,373

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional): (Continued)

\$375,379 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Component Unit School Board (nonprofessional)</u>
2023	\$ (717,339)
2024	(830,332)
2025	(959,836)
2026	(1,255,001)
Thereafter	-

Component Unit School Board (professional):

Plan Description

Additional information related to the plan description, plan contribution requirements, long-term expected rate of return, and discount rate is included in the first section of this note.

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. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$17,910,347 and \$16,033,889 for the years ended June 30, 2022, and June 30, 2021, respectively.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

At June 30, 2022, the school division reported a liability of \$87,983,840 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. 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, 2020, relative to the total of the actuarially-determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was 1.1334% as compared to 1.1640% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of \$1,755,728. 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.

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 7,493,931
Net difference between projected and actual earnings on pension plan investments	-	55,445,062
Changes of assumptions	15,414,539	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,310,416	3,284,334
Employer contributions subsequent to the measurement date	17,910,347	-
Total	<u>\$ 35,635,302</u>	<u>\$ 66,223,327</u>

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

\$17,910,347 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 year ended June 30, 2023. 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	
2023	\$ (10,888,851)
2024	(9,755,453)
2025	(11,502,644)
2026	(16,358,384)
2027	6,960
Thereafter	-

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

- Pre-Retirement:
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

Rates projected generationally with a Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$ 53,381,141
Plan Fiduciary Net Position	45,617,878
Employers' Net Pension Liability (Asset)	<u>\$ 7,763,263</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—PENSION PLAN: (CONTINUED)**Component Unit School Board (professional): (Continued)*****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 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:

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 169,804,048	\$ 87,983,840	\$ 20,675,791

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board**Aggregate Pension Information**

	VRS Pension Plans:			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government	\$ 17,887,064	\$ 24,354,006	\$ 21,958,110	\$ 5,997,361
Component Unit School Board				
School Board Nonprofessional	\$ 1,061,244	\$ 4,448,373	\$ (4,081,244)	\$ (294,623)
School Board Professional	35,635,302	66,223,327	87,983,840	1,755,728
Totals	\$ 36,696,546	\$ 70,671,700	\$ 83,902,596	\$ 1,461,105

NOTE 14—LEGAL COMPLIANCE:**A. Expenditures in Excess of Appropriations**

Expenditures did not exceed appropriations in any fund at June 30, 2022.

B. Fund Deficits

There are no funds with deficit balances at June 30, 2022.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—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
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
2020	2,734,993	32,458,818	31,459,259	3,734,552

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

Fiscal Year	Operating Revenue	Nonoperating Revenue	Claims and Related Expenses
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
2013	24,584,148	7,134	26,347,614

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—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.

<u>Fiscal Year</u>	<u>Claims Liability Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims and Other Payments</u>	<u>Claims Liability End of Year</u>
2022	\$ 125,418	\$ 1,689,686	\$ 1,680,104	\$ 135,000
2021	123,202	1,809,993	1,807,777	125,418
2020	138,310	1,812,472	1,827,580	123,202

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

<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Nonoperating Revenue</u>	<u>Claims and Related Expenses</u>
2022	\$ 1,689,686	\$ 7,307	\$ 1,516,155
2021	1,809,993	6,712	1,529,312
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
2013	1,268,541	864	1,383,207

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.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—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 \$10,000,000.

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 is \$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 16—SURETY BONDS:

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

Virginia Department of Risk Management:	
Jon Zug, Clerk of the Circuit Court	\$ 3,000,000
Nelsie L. Birch, Chief Financial Officer	750,000
Chan Bryant, Sheriff	30,000
Director of Finance and Subordinate Employees—Blanket Bond	500,000
United States Fidelity and Guaranty Company - Surety:	
Clerk of the School Board	10,000
Deputy Clerk of the School Board	10,000
Virginia Association of Counties:	
All County Employees,	
Clerk of the Circuit Court, County Executive and Board of Supervisors—Blanket Bond	500,000

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 17—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 \$2,863,322. During the fiscal year ended June 30, 2022, the County paid \$1,763,124 to the Rivanna Solid Waste Authority under the terms and contributions of the Cost Sharing Agreement.

NOTE 18—CONSTRUCTION AND OTHER COMMITMENTS:

At June 30, 2022, the County has several construction contracts and other commitments which are summarized as follows:

Project Name	Contract Amount	Expended To date	Balance
Scottsville Elementary Addition and Renovation	\$ 8,376,721	\$ 8,159,073	\$ 217,648
Albemarle HS HVAC	2,078,315	450,171	1,628,144
Red Hill Elementary Gym Addition and Renovation	5,031,217	4,874,259	156,958
Crozet Elementary Addition and Renovation	17,487,533	14,045,183	3,442,350
Sidewalk improvements	3,387,140	1,776,643	1,610,497
COB 5th St. Low Slope Roof Replacement	1,755,616	374,944	1,380,672
Western Albemarle Roof Replacement	996,410	-	996,410
Other construction projects	6,269,530	3,624,364	2,645,166
Total	\$ 45,382,482	\$ 33,304,637	\$ 12,077,845

NOTE 19—MEDICAL AND LIFE INSURANCE - PAY-AS-YOU-GO (OPEB PLAN):

Plan Description

The Albemarle County Voluntary Early Retirement Incentive Program (VERIP) is a single-employer defined benefit plan. 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 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, 2021 (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	<u>110</u>
Total	<u><u>\$ 3,808</u></u>

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.

Total OPEB Liability

The County and School Board's total OPEB liability was measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation as of that date.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 19—MEDICAL AND LIFE INSURANCE - PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	The salary increase rate starts at 3.15% salary increase for 1 year of service and gradually declines to 1.3% salary increase for 20 or more years of service
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 used for this year's valuation is 1.92% 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.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	School Board Total OPEB Liability
Balances at June 30, 2020	\$ 13,818,723	\$ 28,292,826
Changes for the year:		
Service cost	1,076,081	2,364,201
Interest	314,089	690,070
Difference between expected and actual experience	448,126	984,556
Changes in assumptions	(1,393,972)	(3,062,626)
Benefit payments	(1,055,223)	(2,318,375)
Changes in proportionate share	(585,657)	780,875
Net changes	\$ (1,196,556)	\$ (561,299)
Balances at June 30, 2021	\$ 12,622,167	\$ 27,731,527

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 19—MEDICAL AND LIFE INSURANCE - PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (0.92%) or one percentage point higher (2.92%) than the current discount rate:

	Rate		
	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
Primary Government	\$ 13,328,700	\$ 12,622,167	\$ 11,936,645
School Board	\$ 29,283,813	\$ 27,731,527	\$ 26,225,399

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

The following presents the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5.00%)	Healthcare Cost Trend (6.00%)	1% Increase (7.00%)
Primary Government	\$ 11,569,066	\$ 12,622,167	\$ 13,827,842
School Board	\$ 25,417,812	\$ 27,731,527	\$ 30,380,454

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 19—MEDICAL AND LIFE INSURANCE - PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

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

For the year ended June 30, 2022, the County and School Board recognized OPEB expense in the amount of \$958,665 and \$2,465,252 respectively. At June 30, 2022, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 452,981	\$ 513,702	\$ 995,224	\$ 1,128,630
Changes in assumptions	407,517	1,516,644	895,336	3,332,142
Changes in proportion	-	508,472	677,963	-
Total	<u>\$ 860,498</u>	<u>\$ 2,538,818</u>	<u>\$ 2,568,523</u>	<u>\$ 4,460,772</u>

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

Year Ended June 30	Primary Government	School Board
2023	\$ (431,505)	\$ (589,019)
2024	(431,504)	(589,018)
2025	(349,442)	(408,729)
2026	(303,944)	(308,750)
2027	(161,925)	3,267
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 to the financial statements.

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional GLI 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 Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$267,333 and \$248,668 for the years ended June 30, 2022 and June 30, 2021, respectively, for the County; \$59,835 and \$51,357 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (nonprofessional); and \$606,509 and \$542,300 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (professional).

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

At June 30, 2022, the entity reported a liability of \$2,596,773, \$536,263, and \$5,663,132 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.23480%, 0.04610%, and 0.48640% as compared to 0.23170%, 0.04867%, and 0.49566% at June 30, 2020, for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$154,097, \$46,902 and \$253,110 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB: (Continued)

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ 296,171	\$ 19,786
Net difference between projected and actual earnings on GLI OPEB program investments	-	619,794
Change in assumptions	143,159	355,293
Changes in proportion	182,308	2,788
Employer contributions subsequent to the measurement date	267,333	-
Total Primary Government	<u>\$ 888,971</u>	<u>\$ 997,661</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 61,163	\$ 4,086
Net difference between projected and actual earnings on GLI OPEB program investments	-	127,995
Change in assumptions	29,564	73,372
Changes in proportion	123,514	32,138
Employer contributions subsequent to the measurement date	59,835	-
Total Component Unit School Board (nonprofessional)	<u>\$ 274,076</u>	<u>\$ 237,591</u>
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 645,900	\$ 43,150
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,351,668
Change in assumptions	312,207	774,837
Changes in proportion	135,616	116,578
Employer contributions subsequent to the measurement date	606,509	-
Total Component Unit School Board (professional)	<u>\$ 1,700,232</u>	<u>\$ 2,286,233</u>

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB: (Continued)

\$267,333, \$59,835 and \$606,509 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2023	\$ (80,215)	\$ (1,486)	\$ (257,886)
2024	(50,342)	3,230	(200,848)
2025	(54,436)	1,329	(204,417)
2026	(164,809)	(18,787)	(428,209)
2027	(26,221)	(7,636)	(101,150)
Thereafter	-	-	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.5%
Salary increases, including inflation:	
Teachers	3.5%-5.95%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees: (Continued)

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees: (Continued)

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020, 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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 Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan’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, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	\$	<u>1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

The total GLI OPEB 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 GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System’s notes to the financial statements and required supplementary information.

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COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 System's 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 is summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was 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%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate: (Continued)

GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 3,793,979	\$ 2,596,773	\$ 1,629,974
School Board's (nonprofessional) proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 783,500	\$ 536,263	\$ 336,608
School Board's (professional) proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 8,274,041	\$ 5,663,132	\$ 3,554,704

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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 HIC 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.

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits is described below:

Eligible Employees

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Contributions: (Continued)

The contribution requirements for active employees is governed by §51.1-1401(E) 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. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate 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 from the school division to the VRS Teacher Employee HIC Plan were \$1,358,805 and \$1,215,153 for the years ended June 30, 2022, and June 30, 2021, respectively.

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB

At June 30, 2022, the school division reported a liability of \$14,575,313 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC was 1.1355% as compared to 1.1636% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$1,185,801. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB: (Continued)

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 254,338
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	192,001
Change in assumptions	393,997	58,577
Change in proportion	293,347	313,188
Employer contributions subsequent to the measurement date	1,358,805	-
Total	\$ 2,046,149	\$ 818,104

\$1,358,805 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	\$ (19,074)
2024	(21,254)
2025	(14,611)
2026	(18,356)
2027	(5,389)
Thereafter	(52,076)

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.5%
Salary increases, including inflation: Teacher employees	3.5%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Teachers

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement Scale:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Mortality Rates - Teachers: (Continued)

The actuarial assumptions used in the June 30, 2020 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,477,874
Plan Fiduciary Net Position		194,305
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,283,569</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		13.15%

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

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS 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 VRS 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 is summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was 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%.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate:

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB 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:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 16,407,763	\$ 14,575,313	\$ 13,024,624

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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 HIC 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.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>77</u>
Inactive members:	
Vested inactive members	8
Non-vested inactive members	-
Inactive members active elsewhere in VRS	<u>-</u>
Total inactive members	<u>85</u>
Active members	343
Total covered employees	<u><u>428</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) 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. The School Board's contractually required employer contribution rate for the year ended June 30, 2022 was 0.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate 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 from the School Board to the HIC Plan were \$49,863 and \$42,798 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Net HIC OPEB Liability

The School Board's net HIC OPEB liability was measured as of June 30, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees: (Continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2020 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 System's 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)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was 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%.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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 ended June 30, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 441,604	\$ -	\$ 441,604
Changes for the year:			
Service cost	\$ 9,612	\$ -	\$ 9,612
Interest	29,808	-	29,808
Benefit changes	\$ -	\$ -	\$ -
Differences between expected and actual experience	(1)	-	(1)
Assumption changes	13,827	-	13,827
Contributions - employer	-	42,798	(42,798)
Net investment income	-	4,991	(4,991)
Benefit payments	-	-	-
Administrative expenses	-	(187)	187
Other changes	-	-	-
Net changes	\$ 53,246	\$ 47,602	\$ 5,644
Balances at June 30, 2021	\$ 494,850	\$ 47,602	\$ 447,248

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Sensitivity of the School Board's HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the School Board's HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board's net HIC OPEB 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:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Nonprofessional School Board's Net HIC OPEB Liability	\$ 497,216	\$ 447,248	\$ 404,648

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2022, the School Board recognized HIC Plan OPEB expense of \$40,153. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1
Net difference between projected and actual earnings on HIC OPEB plan investments	-	2,842
Change in assumptions	11,132	-
Changes in proportionate share	-	-
Employer contributions subsequent to the measurement date	49,863	-
Total	\$ 60,995	\$ 2,843

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

\$49,863 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ 1,984
2024	1,984
2025	1,984
2026	1,986
2027	351
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 23—SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

VRS OPEB Plans:				
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government				
Group Life Insurance Program (Note 20):				
County	\$ 888,971	\$ 997,661	\$ 2,596,773	\$ 154,097
County Stand-Alone Plan (Note 19)	860,498	2,538,818	12,622,167	958,665
Totals	<u>\$ 1,749,469</u>	<u>\$ 3,536,479</u>	<u>\$ 15,218,940</u>	<u>\$ 1,112,762</u>
Component Unit School Board				
Group Life Insurance Program (Note 20):				
School Board Nonprofessional	\$ 274,076	\$ 237,591	\$ 536,263	\$ 46,902
School Board Professional	1,700,232	2,286,233	5,663,132	253,110
Teacher Health Insurance Credit Program (Note 21)	2,046,149	818,104	14,575,313	1,185,801
Nonprofessional Health Insurance Credit Program (Note 22)	60,995	2,843	447,248	40,153
School Stand-Alone Plan (Note 19)	2,568,523	4,460,772	27,731,527	2,465,252
Totals	<u>\$ 6,649,975</u>	<u>\$ 7,805,543</u>	<u>\$ 48,953,483</u>	<u>\$ 3,991,218</u>

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements June 30, 2022 (Continued)

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, 2022. Pursuant to the implementation of GASBS No. 87, the original right to use asset and the lease liability as of the implementation date of July 1, 2021 was \$2,221,532. As of June 30, 2022, the lease liability was \$1,745,811 and the right to use asset balance was \$1,677,483.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 517,735	\$ 75,566
2024	562,436	48,665
2025	613,008	19,402
2026	52,632	219
	<u>\$ 1,745,811</u>	<u>\$ 143,852</u>

Lessor

Crozet Library

On May 17, 2021, the County into an agreement with Crozet Sports Community Foundation, Inc. for the use of a section of the Crozet Library building starting on June 1st, 2021 (“effective date”) with a term ending on the fifth anniversary of the effective date. During the first year of the lease, 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 be 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, 2022, the lease receivable balance was \$118,570. For the year ended June 30, 2022, the County recognized \$27,038 in lease revenue, \$6,256 in lease interest revenue.

COUNTY OF ALBEMARLE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 24—LEASES: (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, 2022, the lease receivable balance was \$199,368. For the year ended June 30, 2022, the County recognized \$31,958 in lease revenue, \$11,185 in lease interest revenue.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 54,726	\$ 13,821
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	<u>\$ 317,938</u>	<u>\$ 49,418</u>

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 213,892,295	\$ 227,793,129	\$ 232,723,027	\$ 4,929,898
Other local taxes	54,512,543	63,059,072	63,978,126	919,054
Permits, privilege fees and regulatory licenses	2,500,136	2,753,157	3,605,609	852,452
Fines and forfeitures	271,573	272,717	310,213	37,496
Use of money and property	1,226,107	1,379,959	1,476,624	96,665
Charges for services	3,773,259	3,801,773	4,220,164	418,391
Miscellaneous	271,898	692,681	754,684	62,003
Recovered costs	833,141	1,148,141	1,419,539	271,398
Intergovernmental:				
Contribution from School Board	41,183	41,183	41,183	-
Commonwealth	24,802,726	25,346,067	27,685,472	2,339,405
Federal Government	7,135,311	7,275,641	7,572,391	296,750
Total revenues	\$ 309,260,172	\$ 333,563,520	\$ 343,787,032	\$ 10,223,512
Expenditures				
Current:				
General Government Administration				
Board of supervisors	\$ 710,197	\$ 853,406	\$ 849,554	\$ 3,852
County executive	2,983,199	4,753,325	3,772,862	980,463
Human resources	884,460	1,486,759	1,391,440	95,319
County attorney	1,150,073	1,370,889	1,258,500	112,389
Finance	6,787,114	7,697,167	7,410,883	286,284
Information technology	4,540,639	4,953,291	4,573,039	380,252
Voter registration	1,132,700	1,384,511	987,734	396,777
Other general government	40,000	40,000	39,685	315
Total general government administration	\$ 18,228,382	\$ 22,539,348	\$ 20,283,697	\$ 2,255,651
Judicial Administration				
Circuit court	\$ 183,005	\$ 188,332	\$ 152,705	\$ 35,627
General district court	40,800	40,800	25,390	15,410
Magistrate	4,575	4,802	4,802	-
Juvenile and domestic relations court	127,769	127,769	127,769	-
Clerk of the circuit court	930,453	1,330,300	1,036,768	293,532
Sheriff	3,018,121	3,285,072	3,112,867	172,205
Commonwealth attorney	1,653,661	1,893,977	1,794,071	99,906
Total judicial administration	\$ 5,958,384	\$ 6,871,052	\$ 6,254,372	\$ 616,680
Public Safety				
Police department	\$ 20,082,975	\$ 21,596,134	\$ 20,516,038	\$ 1,080,096
Fire and rescue services	19,475,468	20,692,852	19,690,828	1,002,024
Regional jail	4,216,703	4,207,051	4,000,291	206,760
Inspections	1,169,532	1,549,906	1,484,236	65,670
Contributions - various	4,298,844	4,308,269	4,308,111	158
Total public safety	\$ 49,243,522	\$ 52,354,212	\$ 49,999,504	\$ 2,354,708
Public Works				
Sanitation and waste removal	\$ 309,479	\$ 375,454	\$ 47,531	\$ 327,923
Contribution to RSWA	1,705,559	1,765,559	1,763,124	2,435
Maintenance of buildings and grounds	4,763,734	5,739,027	5,650,509	88,518
Total public works	\$ 6,778,772	\$ 7,880,040	\$ 7,461,164	\$ 418,876

Budgetary Comparison Schedule
General Fund (Continued)
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures (Continued)				
Health and Welfare				
Family Services	\$ 1,062,170	\$ 1,652,376	\$ 1,436,735	\$ 215,641
Contribution human development	5,150,395	5,180,395	5,197,462	(17,067)
Social services	15,811,200	15,423,994	14,215,644	1,208,350
Total health and welfare	\$ 22,023,765	\$ 22,256,765	\$ 20,849,841	\$ 1,406,924
Education				
Appropriation to public school system	\$ 146,330,005	\$ 158,128,790	\$ 159,350,640	\$ (1,221,850)
Community college	24,529	24,529	-	24,529
Total education	\$ 146,354,534	\$ 158,153,319	\$ 159,350,640	\$ (1,197,321)
Parks, Recreation and Cultural				
Parks and recreation	\$ 2,940,338	\$ 3,342,862	\$ 3,157,930	\$ 184,932
Towe park	204,582	229,148	216,941	12,207
Regional library	4,717,255	4,717,255	4,717,255	-
Miscellaneous contributions	659,281	659,281	659,281	-
Total parks, recreation and cultural	\$ 8,521,456	\$ 8,948,546	\$ 8,751,407	\$ 197,139
Community Development				
Planning and community development	\$ 5,600,057	\$ 6,782,581	\$ 5,977,848	\$ 804,733
Contributions to other agencies	3,361,514	3,361,514	3,361,514	-
Revenue sharing agreement - City of Charlottesville	15,411,834	15,411,834	15,411,834	-
Soil and Water Conservation District	123,200	143,259	143,259	-
Cooperative extension program	370,028	358,321	347,021	11,300
Economic development	877,273	918,177	727,715	190,462
Total community development	\$ 25,743,906	\$ 26,975,686	\$ 25,969,194	\$ 1,006,492
Contingencies				
Total contingencies	\$ 3,392,808	\$ 7,387,514	\$ 1,179,255	\$ 6,208,259
Total expenditures	\$ 286,245,529	\$ 313,366,482	\$ 300,099,074	\$ 13,267,408
Excess (deficiency) of revenues over expenditures	\$ 23,014,643	\$ 20,197,038	\$ 43,687,958	\$ 23,490,920
Other Financing Sources (Uses)				
Transfers in	\$ 10,835,942	\$ 34,939,806	\$ 4,195,745	\$ (30,744,061)
Transfers (out)	(33,850,585)	(55,136,844)	(55,164,035)	(27,191)
Total other financing sources (uses)	\$ (23,014,643)	\$ (20,197,038)	\$ (50,968,290)	\$ (30,771,252)
Net change in fund balance	\$ -	\$ -	\$ (7,280,332)	\$ (7,280,332)
Fund balance, beginning of year	-	-	81,519,760	81,519,760
Fund balance, end of year	\$ -	\$ -	\$ 74,239,428	\$ 74,239,428

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

Budgetary Comparison Schedule
Federal and State Grants Fund
Year Ended June 30, 2022

	Federal and State Grants Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue from use of money and property	\$ 1,650	\$ 1,650	\$ 1,149	\$ (501)
Miscellaneous	102,000	801,590	822,815	21,225
Recovered costs	35,000	46,200	117,002	70,802
Intergovernmental:				
Contribution from School Board	-	-	2,100,000	2,100,000
Revenue from the Commonwealth	7,127,812	10,785,825	7,889,543	(2,896,282)
Revenue from the Federal Government	4,744,661	8,958,875	5,282,185	(3,676,690)
Total revenues	\$ 12,011,123	\$ 20,594,140	\$ 16,212,694	\$ (4,381,446)
Expenditures				
Current:				
General Government Administration				
County executive	\$ 100,000	\$ 165,886	\$ 106,447	\$ 59,439
Judicial Administration				
Commonwealth attorney	\$ -	\$ 9,000	\$ 2,268	\$ 6,732
Total judicial administration	\$ -	\$ 9,000	\$ 2,268	\$ 6,732
Public Safety				
Police department	\$ 912,192	\$ 1,412,018	\$ 1,359,999	\$ 52,019
Fire-Rescue	592,140	3,628,426	914,328	2,714,098
Total public safety	\$ 1,504,332	\$ 5,040,444	\$ 2,274,327	\$ 2,766,117
Health and Welfare				
Comprehensive Services Act programs	\$ 10,344,679	\$ 11,718,774	\$ 11,216,821	\$ 501,953
Other	369,000	368,018	2,781	365,237
Total health and welfare	\$ 10,713,679	\$ 12,086,792	\$ 11,219,602	\$ 867,190
Parks and Recreation				
Parks and Recreation	\$ -	\$ 25,000	\$ 25,000	\$ -
Community Development				
Planning and community development	\$ -	\$ 5,105	\$ 5,105	\$ -
Contribution	-	1,200,000	300,000	900,000
Housing programs	3,688,426	4,856,039	3,726,348	1,129,691
Total community development	\$ 3,688,426	\$ 6,061,144	\$ 4,031,453	\$ 2,029,691
Total expenditures	\$ 16,006,437	\$ 23,388,266	\$ 17,659,097	\$ 5,729,169
Excess (deficiency) of revenues over (under) expenditures	\$ (3,995,314)	\$ (2,794,126)	\$ (1,446,403)	\$ 1,347,723
Other financing sources (uses):				
Transfers in	\$ 3,993,314	\$ 7,281,829	\$ 4,946,529	\$ (2,335,300)
Transfers (out)	-	(4,882,040)	(404,010)	4,478,030
Total other financing sources (uses)	\$ 3,993,314	\$ 2,399,789	\$ 4,542,519	\$ 2,142,730
Net changes in fund balances	\$ (2,000)	\$ (394,337)	\$ 3,096,116	\$ 3,490,453
Fund balances at beginning of year	2,000	394,337	5,074,713	4,680,376
Fund balances at end of year	\$ -	\$ -	\$ 8,170,829	\$ 8,170,829

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

Budgetary Comparison Schedule
 CARES ACT and ARPA Fund
 Year Ended June 30, 2022

	CARES ACT and ARPA Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Revenue from use of money				
Revenue from the Federal Government	\$ -	\$ 21,831,430	\$ 4,123,132	\$ (17,708,298)
Total revenues	\$ -	\$ 21,831,430	\$ 4,123,132	\$ (17,708,298)
Expenditures				
Current:				
General Government Administration				
Finance	\$ -	\$ 95,651	\$ 96,886	\$ (1,235)
Total general government administration	\$ -	\$ 95,651	\$ 96,886	\$ (1,235)
Judicial Administration				
Sheriff's office	\$ -	\$ 48,442	\$ 41,984	\$ 6,458
Public Safety				
Police department	\$ -	\$ 421,779	\$ 363,170	\$ 58,609
Fire and rescue services	-	507,032	409,813	97,219
Total public safety	\$ -	\$ 928,811	\$ 772,983	\$ 155,828
Public Works				
General services	\$ -	\$ 350,000	\$ 190,810	\$ 159,190
Health and Welfare				
Housing	\$ -	\$ 412,800	\$ 87,680	\$ 325,120
Social services	-	2,575,000	2,575,000	-
Total health and welfare	\$ -	\$ 2,987,800	\$ 2,662,680	\$ 325,120
Parks, Recreation and Cultural				
Convention and visitors bureau	\$ -	\$ 50,000	\$ 50,000	-
Total parks, recreation and cultural	\$ -	\$ 50,000	\$ 50,000	-
Community Development				
Economic development	\$ -	\$ 67,710	\$ 67,430	\$ 280
Broadband	-	250,000	240,359	9,641
Total community development	\$ -	\$ 317,710	\$ 307,789	\$ 9,921
Nondepartmental:				
Other	\$ -	\$ 12,220,726	\$ -	\$ 12,220,726
Total expenditures	\$ -	\$ 16,999,140	\$ 4,123,132	\$ 12,876,008
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 4,832,290	\$ -	\$ (4,832,290)
Other financing sources (uses):				
Transfers (out)	\$ -	\$ (4,900,000)	\$ -	\$ 4,900,000
Total other financing sources (uses)	\$ -	\$ (4,900,000)	\$ -	\$ 4,900,000
Net changes in fund balances	\$ -	\$ (67,710)	\$ -	\$ 67,710
Fund balances at beginning of year	-	67,710	-	(67,710)
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

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

Schedule of Employer's Proportionate Share of the Net Pension Liability
For the Measurement Dates of June 30, 2014 through June 30, 2021

Date (1)	Proportion of the Net Pension Liability (NPL) (2)	Proportionate Share of the NPL (3)	Covered Payroll (4)	Proportionate Share of the NPL as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (6)
Primary Government - County Retirement Plan					
2021	94.59%	\$ 21,958,110	\$ 46,049,559	47.68%	90.34%
2020	95.01%	48,760,745	45,318,590	107.60%	76.95%
2019	95.04%	33,652,890	42,229,160	79.69%	82.70%
2018	94.69%	26,759,287	41,921,141	63.83%	84.98%
2017	94.22%	25,993,600	39,352,233	66.05%	84.45%
2016	94.58%	34,817,580	38,473,766	90.50%	78.49%
2015	93.37%	29,012,729	37,323,375	77.73%	81.12%
2014	93.42%	26,490,296	36,352,047	72.87%	81.67%
Component Unit School Board (professional)					
2021	1.1334%	87,983,840	100,425,892	87.61%	85.46%
2020	1.1640%	169,385,292	102,008,315	166.05%	71.47%
2019	1.1587%	152,492,821	97,216,833	156.86%	73.51%
2018	1.1316%	133,078,000	92,641,849	143.65%	74.81%
2017	1.1229%	138,093,000	89,432,661	154.41%	72.92%
2016	1.1247%	157,621,000	85,955,205	183.38%	68.28%
2015	1.1081%	139,474,000	82,923,869	168.20%	70.88%
2014	1.1100%	134,516,000	81,425,849	165.20%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

* The amounts presented have a measurement date of the previous fiscal year end.

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 794,724	\$ 649,302	\$ 591,992	\$ 614,260
Interest	2,121,112	2,020,371	1,973,519	1,931,746
Differences between expected and actual experience	(544,047)	465,165	(53,379)	(422,954)
Changes in assumptions	1,076,677	-	822,887	-
Benefit payments, including refunds of employee contributions	(1,643,452)	(1,641,298)	(1,552,154)	(1,500,432)
Net change in total pension liability	\$ 1,805,014	\$ 1,493,540	\$ 1,782,865	\$ 622,620
Total pension liability - beginning	32,245,612	30,752,072	28,969,207	28,346,587
Total pension liability - ending (a)	\$ 34,050,626	\$ 32,245,612	\$ 30,752,072	\$ 28,969,207
Plan fiduciary net position				
Contributions - employer	\$ 324,181	\$ 303,793	\$ 243,047	\$ 298,819
Contributions - employee	436,863	459,364	338,569	330,605
Net investment income	8,317,902	588,194	1,970,730	2,111,330
Benefit payments, including refunds of employee contributions	(1,643,452)	(1,641,298)	(1,552,154)	(1,500,432)
Administrative expense	(20,973)	(20,348)	(20,044)	(18,581)
Other	782	(812)	(1,239)	(1,865)
Net change in plan fiduciary net position	\$ 7,415,303	\$ (311,107)	\$ 978,909	\$ 1,219,876
Plan fiduciary net position - beginning	30,716,567	31,027,674	30,048,765	28,828,889
Plan fiduciary net position - ending (b)	\$ 38,131,870	\$ 30,716,567	\$ 31,027,674	\$ 30,048,765
School Division's net pension liability(asset) - ending (a) - (b)	\$ (4,081,244)	\$ 1,529,045	\$ (275,602)	\$ (1,079,558)
Plan fiduciary net position as a percentage of the total pension liability	111.99%	95.26%	100.90%	103.73%
Covered payroll	\$ 9,510,601	\$ 10,016,892	\$ 7,387,004	\$ 7,210,978
School Division's net pension liability as a percentage of covered payroll	-42.91%	15.26%	-3.73%	-14.97%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios (Continued)
 Component Unit School Board (nonprofessional)
 For the Measurement Dates of June 30, 2014 through June 30, 2021

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 630,798	\$ 637,830	\$ 794,863	\$ 828,627
Interest	1,858,795	1,923,580	1,817,237	1,720,625
Differences between expected and actual experience	256,654	(2,112,662)	177,527	-
Changes in assumptions	(257,121)	-	-	-
Benefit payments, including refunds of employee contributions	(1,393,503)	(1,355,010)	(1,185,865)	(1,152,293)
Net change in total pension liability	\$ 1,095,623	\$ (906,262)	\$ 1,603,762	\$ 1,396,959
Total pension liability - beginning	27,250,964	28,157,226	26,553,464	25,156,505
Total pension liability - ending (a)	\$ 28,346,587	\$ 27,250,964	\$ 28,157,226	\$ 26,553,464
Plan fiduciary net position				
Contributions - employer	\$ 295,542	\$ 493,668	\$ 504,909	\$ 748,757
Contributions - employee	330,846	320,570	318,408	395,722
Net investment income	3,181,638	453,639	1,171,563	3,512,738
Benefit payments, including refunds of employee contributions	(1,393,503)	(1,355,010)	(1,185,865)	(1,152,293)
Administrative expense	(18,741)	(16,579)	(16,163)	(18,770)
Other	(2,817)	(194)	(247)	185
Net change in plan fiduciary net position	\$ 2,392,965	\$ (103,906)	\$ 792,605	\$ 3,486,339
Plan fiduciary net position - beginning	26,435,924	26,539,830	25,747,225	22,260,886
Plan fiduciary net position - ending (b)	\$ 28,828,889	\$ 26,435,924	\$ 26,539,830	\$ 25,747,225
School Division's net pension liability(asset) - ending (a) - (b)	\$ (482,302)	\$ 815,040	\$ 1,617,396	\$ 806,239
Plan fiduciary net position as a percentage of the total pension liability	101.70%	97.01%	94.26%	96.96%
Covered payroll	\$ 6,763,407	\$ 6,439,895	\$ 6,461,738	\$ 7,956,214
School Division's net pension liability as a percentage of covered payroll	-7.13%	12.66%	25.03%	10.13%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions - Pension Plans
 Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
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	4,700,361	4,700,361	-	41,921,141	11.21%
2017	4,611,455	4,611,455	-	39,352,233	12.32%
2016	5,190,111	5,190,111	-	38,473,766	13.49%
2015	5,034,924	5,034,924	-	37,323,375	13.49%
2014	5,085,651	5,085,651	-	36,352,047	13.99%
2013	4,784,341	4,784,341	-	34,198,294	13.99%
Component Unit School Board (nonprofessional)					
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	4.67%
2016	506,176	506,176	-	6,439,895	7.86%
2015	507,893	507,893	-	6,461,738	7.86%
2014	751,862	751,862	-	7,656,216	9.45%
2013	729,110	729,110	-	7,715,450	9.45%
Component Unit School Board (professional)					
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%
2014	13,563,583	13,563,583	-	81,425,849	11.66%
2013	13,128,045	13,128,045	-	78,799,790	11.66%

* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan

Notes to Required Supplementary Information - Pensions
Year Ended June 30, 2022

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

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:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2017 through June 30, 2021

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 1,076,081	\$ 981,611	\$ 1,050,794	\$ 723,249	\$ 774,096
Interest	314,089	383,791	450,742	387,976	313,351
Changes in assumptions	(1,393,972)	595,775	(299,632)	(57,999)	(625,399)
Differences between expected and actual experience	448,126	116,289	(738,496)	(371,513)	-
Changes in proportionate share	(585,657)	-	1,225,044	-	-
Amortization and other adjustments	-	-	11,556	-	-
Benefit payments	(1,055,223)	(924,571)	(646,167)	(185,579)	(682,000)
Net change in total OPEB liability	\$ (1,196,556)	\$ 1,152,895	\$ 1,053,841	\$ 496,134	\$ (219,952)
Total OPEB liability - beginning	13,818,723	12,665,828	11,611,987	11,115,853	11,335,805
Total OPEB liability - ending	\$ 12,622,167	\$ 13,818,723	\$ 12,665,828	\$ 11,611,987	\$ 11,115,853
 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

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
 Component Unit School Board
 For the Measurement Dates of June 30, 2017 through June 30, 2021

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 2,364,201	\$ 2,009,785	\$ 2,151,422	\$ 2,393,181	\$ 2,526,114
Interest	690,070	785,783	922,862	900,152	708,431
Changes in assumptions	(3,062,626)	1,219,804	(613,474)	(142,792)	(1,132,386)
Differences between expected and actual experience	984,556	238,093	(1,512,016)	(581,149)	-
Changes in proportionate share	780,875	-	(1,133,608)	-	-
Amortization adjustments	-	-	59,644	-	-
Benefit payments	(2,318,375)	(1,892,994)	(1,322,980)	(1,246,756)	(1,803,000)
Net change in total OPEB liability	\$ (561,299)	\$ 2,360,471	\$ (1,448,150)	\$ 1,322,636	\$ 299,159
Total OPEB liability - beginning	28,292,826	25,932,355	27,380,505	26,057,869	25,758,710
Total OPEB liability - ending	\$ 27,731,527	\$ 28,292,826	\$ 25,932,355	\$ 27,380,505	\$ 26,057,869
 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

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information - County and Component Unit School Board OPEB
Year Ended June 30, 2022

Valuation Date: 6/30/2021
Measurement Date: 6/30/2021

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	1.92%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.0% in 2022 and gradually declines to 3.94% by the year 2075
Salary Increase Rates	The salary increase rate starts at 3.15% salary increase for 1 year of service and gradually declines to 1.3% salary increase for 20 or more years of service
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2000 Fully Generational Combined Healthy Table. The mortality rates for disabled retirees and calculated using the RP 2000 Disabled Mortality Table.

Schedule of County and School Board's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2021	0.23480% \$	2,596,773 \$	46,049,559	5.64%	67.45%
2020	0.23170%	3,674,833	45,299,516	8.11%	52.64%
2019	0.22676%	3,506,896	42,229,160	8.30%	52.00%
2018	0.21740%	3,126,819	41,338,393	7.56%	51.22%
2017	0.21335%	3,211,000	39,352,233	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2021	0.04610% \$	536,263 \$	9,510,601	5.64%	67.45%
2020	0.04867%	812,223	10,016,892	8.11%	52.64%
2019	0.03768%	613,154	7,387,004	8.30%	52.00%
2018	0.03739%	568,000	7,109,483	7.99%	51.22%
2017	0.03667%	552,000	6,763,407	8.16%	48.86%
Component Unit School Board (professional)					
2021	0.48640% \$	5,663,132 \$	100,425,892	5.64%	67.45%
2020	0.49566%	8,271,754	102,008,315	8.11%	52.64%
2019	0.49592%	8,069,938	97,216,833	8.30%	52.00%
2018	0.48223%	7,324,000	91,694,292	7.99%	51.22%
2017	0.48126%	7,242,000	88,770,270	8.16%	48.86%

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.

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
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)					
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)					
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 the 2017 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
Year Ended June 30, 2022

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2020 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:

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased 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 Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of School Board's Share of Net OPEB Liability

Teacher Employee Health Insurance Credit (HIC) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
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	1.1247%	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.

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
Years Ended June 30, 2017 through June 30, 2022

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	as a % of Covered Payroll (5)
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%

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.

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
Year Ended June 30, 2022

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2020 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:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of Changes in the School Board Nonprofessional's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2021

	2021	2020
Total HIC OPEB Liability		
Service cost	\$ 9,612	\$ -
Interest	29,808	-
Changes in benefit terms	-	-
Differences between expected and actual experience	(1)	-
Changes of assumptions	13,827	441,604
Benefit payments	-	-
Net change in total HIC OPEB liability	\$ 53,246	\$ 441,604
Total HIC OPEB Liability - beginning	441,604	-
Total HIC OPEB Liability - ending (a)	\$ 494,850	\$ 441,604
Plan fiduciary net position		
Contributions - employer	\$ 42,798	\$ -
Net investment income	4,991	-
Benefit payments	-	-
Administrator charges	(187)	-
Other	-	-
Net change in plan fiduciary net position	\$ 47,602	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ 47,602	\$ -
County's net HIC OPEB liability - ending (a) - (b)	\$ 447,248	\$ 441,604
Plan fiduciary net position as a percentage of the total HIC OPEB liability	9.62%	0.00%
Covered payroll	\$ 9,510,601	\$ 10,016,892
County's net HIC OPEB liability as a percentage of covered payroll	4.70%	4.41%

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions - School Board Nonprofessional
 Health Insurance Credit (HIC) Plan
 Years Ended June 30, 2021 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
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 2021 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information -
Health Insurance Credit (HIC) Plan
Year Ended June 30, 2022

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

Changes of assumptions - The actuarial assumptions used in the June 30, 2020, 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:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet
Nonmajor Governmental Funds
At June 30, 2022

	Special Revenue	Debt Service	Capital Projects Storm Water Control Fund	Total
Assets				
Cash and investments	\$ 9,787,068	\$ -	\$ 3,841,559	\$ 13,628,627
Receivables, (net of allowance for uncollectibles) - Note 4	254,795	-	-	254,795
Total assets	<u>\$ 10,041,863</u>	<u>\$ -</u>	<u>\$ 3,841,559</u>	<u>\$ 13,883,422</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 31,609	\$ -	\$ 35,644	\$ 67,253
Total liabilities	<u>\$ 31,609</u>	<u>\$ -</u>	<u>\$ 35,644</u>	<u>\$ 67,253</u>
Fund Balance				
Committed:				
Stormwater projects	\$ -	\$ -	\$ 3,805,915	\$ 3,805,915
Special revenue	10,010,254	-	-	10,010,254
Total fund balance	<u>\$ 10,010,254</u>	<u>\$ -</u>	<u>\$ 3,805,915</u>	<u>\$ 13,816,169</u>
Total liabilities and fund balance	<u>\$ 10,041,863</u>	<u>\$ -</u>	<u>\$ 3,841,559</u>	<u>\$ 13,883,422</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue	Debt Service	Capital Projects Storm Water Control	Total
Revenues				
Other local taxes	\$ 1,929,213	\$ -	\$ -	\$ 1,929,213
Permits, privilege fees and regulatory licenses	20,505	-	-	20,505
Use of money and property	68,998	-	14,294	83,292
Charges for services	-	-	12,989	12,989
Intergovernmental:				
Commonwealth	-	383,558	356,945	740,503
Federal Government	-	80,155	-	80,155
Total revenues	\$ 2,018,716	\$ 463,713	\$ 384,228	\$ 2,866,657
Expenditures				
Current:				
Public works	\$ 89,041	\$ -	\$ -	\$ 89,041
Community Development	202,832	-	-	202,832
Debt service:				
Principal payments	-	36,081,559	-	36,081,559
Interest and fiscal charges	-	7,733,298	-	7,733,298
Capital projects	-	-	64,634	64,634
Total expenditures	\$ 291,873	\$ 43,814,857	\$ 64,634	\$ 44,171,364
Excess (deficiency) of revenues over (under) expenditures	\$ 1,726,843	\$ (43,351,144)	\$ 319,594	\$ (41,304,707)
Other financing sources (uses)				
Issuance of refunding bonds	\$ -	\$ 16,920,000	\$ -	\$ 16,920,000
Premium on debt	-	3,394,937	-	3,394,937
Transfers in	6,546,768	23,069,556	-	29,616,324
Transfers (out)	(3,062,744)	-	-	(3,062,744)
Total other financing sources (uses)	\$ 3,484,024	\$ 43,384,493	\$ -	\$ 46,868,517
Net change in fund balance	\$ 5,210,867	\$ 33,349	\$ 319,594	\$ 5,563,810
Fund balance, beginning of year	4,799,387	(33,349)	3,486,321	8,252,359
Fund balance, end of year	\$ 10,010,254	\$ -	\$ 3,805,915	\$ 13,816,169

Combining Balance Sheet
Nonmajor Special Revenue Funds
At June 30, 2022

	Water Resources Fund	Courthouse Maintenance Fund	Stream Buffer Fund	Tourism Fund	Old Crozet School Fund	Economic Development Fund	Total
Assets							
Cash and investments	\$ 216,496	\$ -	\$ 3,063	\$ 286,703	\$ 13,617	\$ 9,267,139	\$ 9,787,068
Receivables, (net of allowance for uncollectibles) - Note 4	-	-	-	254,845	-	-	254,795
Total assets	<u>\$ 216,496</u>	<u>\$ -</u>	<u>\$ 3,063</u>	<u>\$ 541,548</u>	<u>\$ 13,617</u>	<u>\$ 9,267,139</u>	<u>\$ 10,041,863</u>
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 6,120	\$ 25,489	\$ 31,609
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,120</u>	<u>\$ 25,489</u>	<u>\$ 31,609</u>
Fund Balance							
Committed:							
Special revenue	\$ 216,496	\$ -	\$ 3,063	\$ 541,548	\$ 7,497	\$ 9,241,650	\$ 10,010,254
Total fund balance	<u>\$ 216,496</u>	<u>\$ -</u>	<u>\$ 3,063</u>	<u>\$ 541,548</u>	<u>\$ 7,497</u>	<u>\$ 9,241,650</u>	<u>\$ 10,010,254</u>
Total liabilities and fund balance	<u>\$ 216,496</u>	<u>\$ -</u>	<u>\$ 3,063</u>	<u>\$ 541,548</u>	<u>\$ 13,617</u>	<u>\$ 9,267,139</u>	<u>\$ 10,041,863</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2022

	Water Resources Fund	Courthouse Maintenance Fund	Stream Buffer Fund	Tourism Fund	Old Crozet School Fund	Economic Development Fund	Total
Revenues							
Other local taxes	\$ -	\$ -	\$ -	\$ 1,929,213	\$ -	\$ -	\$ 1,929,213
Permits, privilege fees and regulatory licenses	-	20,505	-	-	-	-	20,505
Use of money and property	-	-	-	-	68,998	-	68,998
Total revenues	<u>\$ -</u>	<u>\$ 20,505</u>	<u>\$ -</u>	<u>\$ 1,929,213</u>	<u>\$ 68,998</u>	<u>\$ -</u>	<u>\$ 2,018,716</u>
Expenditures							
Current:							
Public works	\$ -	\$ -	\$ -	\$ -	\$ 89,041	\$ -	\$ 89,041
Community Development	-	-	-	-	-	202,832	202,832
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,041</u>	<u>\$ 202,832</u>	<u>\$ 291,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 20,505</u>	<u>\$ -</u>	<u>\$ 1,929,213</u>	<u>\$ (20,043)</u>	<u>\$ (202,832)</u>	<u>\$ 1,726,843</u>
Other financing sources (uses)							
Transfers in	\$ 1,546,768	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 6,546,768
Transfers (out)	<u>(1,546,768)</u>	<u>(15,976)</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>(3,062,744)</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (15,976)</u>	<u>\$ -</u>	<u>\$ (1,500,000)</u>	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>\$ 3,484,024</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,529</u>	<u>\$ -</u>	<u>\$ 429,213</u>	<u>\$ (20,043)</u>	<u>\$ 4,797,168</u>	<u>\$ 5,210,867</u>
Fund balance, beginning of year	<u>216,496</u>	<u>(4,529)</u>	<u>3,063</u>	<u>112,335</u>	<u>27,540</u>	<u>4,444,482</u>	<u>4,799,387</u>
Fund balance, end of year	<u><u>\$ 216,496</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,063</u></u>	<u><u>\$ 541,548</u></u>	<u><u>\$ 7,497</u></u>	<u><u>\$ 9,241,650</u></u>	<u><u>\$ 10,010,254</u></u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Debt Service Funds
 Year Ended June 30, 2022

	Debt Service		
	General	School	Total
Revenues			
Commonwealth	\$ -	\$ 383,558	\$ 383,558
Federal government	-	80,155	80,155
Total revenues	\$ -	\$ 463,713	\$ 463,713
Expenditures			
Debt service:			
Principal payments	\$ 19,397,607	\$ 16,683,952	\$ 36,081,559
Interest and fiscal charges	2,424,755	5,308,543	7,733,298
Total expenditures	\$ 21,822,362	\$ 21,992,495	\$ 43,814,857
Excess (deficiency) of revenues over (under) expenditures	\$ (21,822,362)	\$ (21,528,782)	\$ (43,351,144)
Other financing sources (uses)			
Issuance of refunding bonds	12,363,444	4,556,556	16,920,000
Premium on debt	2,480,680	914,257	3,394,937
Transfers in	\$ 7,011,587	\$ 16,057,969	\$ 23,069,556
Total other financing sources (uses)	\$ 21,855,711	\$ 21,528,782	\$ 43,384,493
Net change in fund balance	\$ 33,349	\$ -	\$ 33,349
Fund balance, beginning of year	(33,349)	-	(33,349)
Fund balance, end of year	\$ -	\$ -	\$ -

Combining Statement of Net Position
Internal Service Funds
At June 30, 2022

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Facilities Development Fund	Computer Replacement Fund	Vehicle Replacement Fund	Total Internal Service Funds
Assets							
Current assets:							
Cash and investments	\$ 13,600,215	\$ 2,026,465	\$ -	\$ 4,857	\$ 217,835	\$ 767,326	\$ 16,616,698
Accounts receivable	333,806	20,608	-	-	-	-	354,414
Prepaid expenses	-	-	-	-	43,088	-	43,088
Total assets	<u>\$ 13,934,021</u>	<u>\$ 2,047,073</u>	<u>\$ -</u>	<u>\$ 4,857</u>	<u>\$ 260,923</u>	<u>\$ 767,326</u>	<u>\$ 17,014,200</u>
Liabilities							
Current liabilities:							
Accounts payable and accrued liabilities	\$ 3,287	\$ -	\$ 3,170	\$ -	\$ 67,544	\$ -	\$ 74,001
Reconciled overdraft	-	-	8,510	-	-	-	8,510
Claims payable:							
Due within one year	3,305,922	135,000	-	-	-	-	3,440,922
Total liabilities	\$ 3,309,209	\$ 135,000	\$ 11,680	\$ -	\$ 67,544	\$ -	\$ 3,523,433
Net position							
Unrestricted	10,624,812	1,912,073	(11,680)	4,857	193,379	767,326	13,490,767
Total liabilities and net position	<u>\$ 13,934,021</u>	<u>\$ 2,047,073</u>	<u>\$ -</u>	<u>\$ 4,857</u>	<u>\$ 260,923</u>	<u>\$ 767,326</u>	<u>\$ 17,014,200</u>

Combining Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
Year Ended June 30, 2022

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Facilities Development Fund	Computer Replacement Fund	Vehicle Replacement Fund	Total Internal Service Funds
Operating revenues							
Charges for services, net	\$ 31,209,382	\$ 1,689,686	\$ 70,333	\$ -	\$ 673,004	\$ 898,116	\$ 34,540,521
Operating expenses							
Benefits and related expenses	\$ 36,081,597	\$ 1,516,155	\$ -	\$ -	\$ -	\$ -	\$ 37,597,752
Services and supplies	-	-	62,188	-	563,698	1,011,470	1,637,356
Total operating expenses	\$ 36,081,597	\$ 1,516,155	\$ 62,188	\$ -	\$ 563,698	\$ 1,011,470	\$ 39,235,108
Operating income (loss)	\$ (4,872,215)	\$ 173,531	\$ 8,145	\$ -	\$ 109,306	\$ (113,354)	\$ (4,694,587)
Nonoperating revenues (expenses)							
Interest income	\$ 52,902	\$ 7,307	\$ -	\$ -	\$ -	\$ 4,974	\$ 65,183
Transfers							
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ (46,989)	\$ -	\$ (46,989)
Net transfers	\$ -	\$ -	\$ -	\$ -	\$ (46,989)	\$ -	\$ (46,989)
Change in net position	\$ (4,819,313)	\$ 180,838	\$ 8,145	\$ -	\$ 62,317	\$ (108,380)	\$ (4,676,393)
Net position, beginning of year	15,444,125	1,731,235	(19,825)	4,857	131,062	875,706	18,167,160
Net position, end of year	\$ 10,624,812	\$ 1,912,073	\$ (11,680)	\$ 4,857	\$ 193,379	\$ 767,326	\$ 13,490,767

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2022

	Health Insurance Fund	Dental Plan Pool Fund	Duplicating Fund	Facilities Development Fund	Computer Replacement Fund	Vehicle Replacement Fund	Total Internal Service Funds
Cash flows from operating activities							
Receipts from insured	\$ 30,998,985	\$ 1,675,627	\$ -	\$ -	\$ -	\$ -	\$ 32,674,612
Receipts from services	-	-	65,990	-	673,004	898,116	1,637,110
Payments to suppliers	(35,607,642)	(1,506,573)	(65,990)	-	(482,072)	(1,048,918)	(38,711,195)
Net cash provided by (used for) operating activities	\$ (4,608,657)	\$ 169,054	\$ -	\$ -	\$ 190,932	\$ (150,802)	\$ (4,399,473)
Cash flows from noncapital financing activities							
Transfers	\$ -	\$ -	\$ -	\$ -	\$ (46,989)	\$ -	\$ (46,989)
Cash flows from investing activities							
Interest income	\$ 52,902	\$ 7,307	\$ -	\$ -	\$ -	\$ 4,974	\$ 65,183
Net increase (decrease) in cash and cash equivalents	\$ (4,555,755)	\$ 176,361	\$ -	\$ -	\$ 143,943	\$ (145,828)	\$ (4,381,279)
Cash and cash equivalents, beginning of year	18,155,970	1,850,104	-	4,857	73,892	913,154	20,997,977
Cash and cash equivalents, end of year	\$ 13,600,215	\$ 2,026,465	\$ -	\$ 4,857	\$ 217,835	\$ 767,326	\$ 16,616,698
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities							
Operating income (loss)	\$ (4,872,215)	\$ 173,531	\$ 8,145	\$ -	\$ 109,306	\$ (113,354)	\$ (4,694,587)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:							
Change in assets and liabilities:							
Receivables, net	(210,397)	(14,059)	-	-	-	-	(224,456)
Prepaid expenses	-	-	-	-	22,167	-	22,167
Accounts payable and accrued liabilities	680	-	(3,802)	-	59,459	(37,448)	18,889
Reconciled overdraft	-	-	(4,343)	-	-	-	(4,343)
Claims payable	473,275	9,582	-	-	-	-	482,857
Net cash provided by (used for) operating activities	\$ (4,608,657)	\$ 169,054	\$ -	\$ -	\$ 190,932	\$ (150,802)	\$ (4,399,473)

Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
At June 30, 2022

	McIntire Trust Fund	Juanise Dyer Trust Fund	Weinstein Trust Fund	Crozet Crossings Trust Fund	Synthetic Turf Field Funds	Proffer Trust Fund	Total
Assets							
Cash and investments	\$ -	\$ 13,334	\$ 89,708	\$ 63,373	\$ 244,857	\$ 9,383,716	\$ 9,794,988
Investments with trustee	414,922	-	-	-	-	-	414,922
Accounts receivable	8,040	-	-	-	-	311,411	319,451
Total assets	<u>\$ 422,962</u>	<u>\$ 13,334</u>	<u>\$ 89,708</u>	<u>\$ 63,373</u>	<u>\$ 244,857</u>	<u>\$ 9,695,127</u>	<u>\$ 10,529,361</u>
Net Position							
Restricted	<u>\$ 422,962</u>	<u>\$ 13,334</u>	<u>\$ 89,708</u>	<u>\$ 63,373</u>	<u>\$ 244,857</u>	<u>\$ 9,695,127</u>	<u>\$ 10,529,361</u>
Total net position	<u>\$ 422,962</u>	<u>\$ 13,334</u>	<u>\$ 89,708</u>	<u>\$ 63,373</u>	<u>\$ 244,857</u>	<u>\$ 9,695,127</u>	<u>\$ 10,529,361</u>

Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
Year Ended June 30, 2022

	McIntire Trust Fund	Juanise Dyer Trust Fund	Weinstein Trust Fund	Crozet Crossings Trust Fund	Synthetic Turf Field Fund	Proffer Trust Fund	Total
Additions							
Investment earnings (losses)	\$ (50,764)	\$ 53	\$ 355	\$ 251	\$ 20,438	\$ 38,363	\$ 8,696
Proffers	-	-	-	-	-	2,380,370	2,380,370
Total additions	\$ -50,764	\$ 53	\$ 355	\$ 251	\$ 20,438	\$ 2,418,733	\$ 2,389,066
Deductions							
General	\$ 741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 741
Contributions	-	-	-	-	-	1,553,160	1,553,160
Total deductions	\$ 741	\$ -	\$ -	\$ -	\$ -	\$ 1,553,160	\$ 1,553,901
Change in net position	\$ (51,505)	\$ 53	\$ 355	\$ 251	\$ 20,438	\$ 865,573	\$ 835,165
Net position, beginning of year	474,467	13,281	89,353	63,122	224,419	8,829,554	9,694,196
Net position, end of year	\$ 422,962	\$ 13,334	\$ 89,708	\$ 63,373	\$ 244,857	\$ 9,695,127	\$ 10,529,361

COUNTY OF ALBEMARLE, VIRGINIA

Combining Statement of Fiduciary Net Position

Custodial Funds

At June 30, 2022

	Special Welfare Fund	Drug Fund	Payroll Suspense Fund	HUD Family Self Sufficiency Fund	County Contribution Fund	Ace Contribution Fund	Firearms Range Operating Fund	CATEC Fund
Assets								
Cash and investments	\$ 89,189	\$ 202,678	\$ 4,163,228	\$ 24,127	\$ 93,960	\$ 21,813	\$ 694,005	\$ -
Accounts receivable	-	-	3,862	-	1,500	-	3,942	1,480,983
Total assets	<u>\$ 89,189</u>	<u>\$ 202,678</u>	<u>\$ 4,167,090</u>	<u>\$ 24,127</u>	<u>\$ 95,460</u>	<u>\$ 21,813</u>	<u>\$ 697,947</u>	<u>\$ 1,480,983</u>
Liabilities								
Accounts payable	\$ -	\$ 8,900	\$ 4,167,090	\$ -	\$ -	\$ -	\$ 30,178	\$ 1,481,123
Total liabilities	<u>\$ -</u>	<u>\$ 8,900</u>	<u>\$ 4,167,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,178</u>	<u>\$ 1,481,123</u>
Net Position								
Restricted for:								
Other Governments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (140)
Individuals and organizations	89,189	193,778	-	24,127	95,460	21,813	667,769	-
Total net position	<u>\$ 89,189</u>	<u>\$ 193,778</u>	<u>\$ -</u>	<u>\$ 24,127</u>	<u>\$ 95,460</u>	<u>\$ 21,813</u>	<u>\$ 667,769</u>	<u>\$ (140)</u>

Appeal Bond Fund	Sheriff Reserve Fund	Performance Bond Fund	Natural Heritage Fund	Economic Development Authority Fund	Commonwealth Attorney Commission Fund	Public Recreation Facility Authority	Courts Escrow Fund	Albemarle Broadband Authority	Total
\$ 4,500	\$ 1,880	\$ 4,037,838	\$ 1,162	\$ 976,370	\$ 25,706	\$ 486,838	\$ 7,807	\$ 30,044	\$ 10,861,145
-	-	-	-	200,329	-	-	-	-	1,690,616
<u>\$ 4,500</u>	<u>\$ 1,880</u>	<u>\$ 4,037,838</u>	<u>\$ 1,162</u>	<u>\$ 1,176,699</u>	<u>\$ 25,706</u>	<u>\$ 486,838</u>	<u>\$ 7,807</u>	<u>\$ 30,044</u>	<u>\$ 12,551,761</u>
\$ -	\$ -	\$ -	\$ -	\$ 137,500	\$ -	\$ -	\$ -	\$ -	\$ 5,824,791
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,824,791</u>
\$ 4,500	\$ -	\$ 4,037,838	\$ 1,162	\$ 1,039,199	\$ -	\$ 486,838	\$ -	\$ 30,044	\$ 1,555,941
-	1,880	-	-	-	25,706	-	7,807	-	5,171,029
<u>\$ 4,500</u>	<u>\$ 1,880</u>	<u>\$ 4,037,838</u>	<u>\$ 1,162</u>	<u>\$ 1,039,199</u>	<u>\$ 25,706</u>	<u>\$ 486,838</u>	<u>\$ 7,807</u>	<u>\$ 30,044</u>	<u>\$ 6,726,970</u>

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Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Year Ended June 30, 2022

	Special Welfare Fund	Drug Fund	Payroll Suspense Fund	HUD Family Self Sufficiency Fund	County Contribution Fund	Ace Contribution Fund
Additions:						
Contributions						
Private contributions	\$ 110,808	\$ -	\$ -	\$ -	\$ 14,158	\$ -
Government contributions		6,275				
Employee contributions	-	-	136,170,964	-	-	-
Total contributions	\$ 110,808	\$ 6,275	\$ 136,170,964	\$ -	\$ 14,158	\$ -
Investment earnings:						
Interest	\$ -	\$ 588	\$ -	\$ -	\$ 718	\$ 87
Total investment earnings	\$ -	\$ 588	\$ -	\$ -	\$ 718	\$ 87
Total additions	\$ 110,808	\$ 6,863	\$ 136,170,964	\$ -	\$ 14,876	\$ 87
Deductions:						
Recipient payments	\$ 101,219	\$ -	\$ -	\$ -	\$ 215,000	\$ -
Economic Development	-	-	-	-	-	-
Broadband	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-
Employee disbursements	-	-	136,867,161	-	-	-
Total deductions	\$ 101,219	\$ -	\$ 136,867,161	\$ -	\$ 215,000	\$ -
Net increase (decrease) in fiduciary net position	\$ 9,589	\$ 6,863	\$ (696,197)	\$ -	\$ (200,124)	\$ 87
Net position - beginning	79,600	186,915	696,197	24,127	295,584	21,726
Net position - ending	\$ 89,189	\$ 193,778	\$ -	\$ 24,127	\$ 95,460	\$ 21,813

Combining Statement of Changes in Fiduciary Net Position (Continued)

Custodial Funds

Year Ended June 30, 2022

	Firearms Range Operating Fund	CATEC Fund	Appeal Bond Fund	Sheriff Reserve Fund	Performance Bond Fund	Natural Heritage Fund
Additions:						
Contributions						
Private contributions	\$ 305,505	\$ -	\$ -	\$ -	\$ 1,386,065	\$ -
Government contributions		2,556,487	-	-	-	-
Employee contributions	-	-	-	-	-	-
Total contributions	\$ 305,505	\$ 2,556,487	\$ -	\$ -	\$ 1,386,065	\$ -
Investment earnings:						
Interest	\$ 2,339	\$ -	\$ -	\$ 8	\$ 1,593	\$ 5
Total investment earnings	\$ 2,339	\$ -	\$ -	\$ 8	\$ 1,593	\$ 5
Total additions	\$ 307,844	\$ 2,556,487	\$ -	\$ 8	\$ 1,387,658	\$ 5
Deductions:						
Recipient payments	\$ -	\$ -	\$ -	\$ -	\$ 3,644,984	\$ -
Economic Development	-	-	-	-	-	-
Broadband	-	-	-	-	-	-
Administrative expenses	216,187	2,556,627	-	-	-	-
Employee disbursements	-	-	-	-	-	-
Total deductions	\$ 216,187	\$ 2,556,627	\$ -	\$ -	\$ 3,644,984	\$ -
Net increase (decrease) in fiduciary net position	\$ 91,657	\$ (140)	\$ -	\$ 8	\$ (2,257,326)	\$ 5
Net position - beginning	576,112	-	4,500	1,872	6,295,164	1,157
Net position - ending	\$ 667,769	\$ (140)	\$ 4,500	\$ 1,880	\$ 4,037,838	\$ 1,162

Combining Statement of Changes in Fiduciary Net Position (Continued)

Custodial Funds

Year Ended June 30, 2022

	<u>Economic Development Authority Fund</u>	<u>Commonwealth Attorney Commission Fund</u>	<u>Public Recreation Facility Authority</u>	<u>Courts Escrow Fund</u>	<u>Albemarle Broadband Authority</u>	<u>Total</u>
Additions:						
Contributions						
Private contributions	\$ 152,111	\$ 37,656	\$ -	\$ -	\$ -	\$ 2,006,303
Government contributions	616,037	-	84,214	-	291,300	3,554,313
Employee contributions	-	-	-	-	-	136,170,964
Total contributions	<u>\$ 768,148</u>	<u>\$ 37,656</u>	<u>\$ 84,214</u>	<u>\$ -</u>	<u>\$ 291,300</u>	<u>\$ 141,731,580</u>
Investment earnings:						
Interest	\$ 3,205	\$ -	\$ 1,751	\$ -	\$ 2,200	\$ 12,494
Total investment earnings	<u>\$ 3,205</u>	<u>\$ -</u>	<u>\$ 1,751</u>	<u>\$ -</u>	<u>\$ 2,200</u>	<u>\$ 12,494</u>
Total additions	<u>\$ 771,353</u>	<u>\$ 37,656</u>	<u>\$ 85,965</u>	<u>\$ -</u>	<u>\$ 293,500</u>	<u>\$ 141,744,074</u>
Deductions:						
Recipient payments	\$ -	\$ 87,875	\$ -	\$ -	\$ -	\$ 4,049,078
Economic Development	647,784	-	-	-	-	647,784
Broadband	-	-	-	-	1,225,512	1,225,512
Administrative expenses	-	-	842	-	-	2,773,656
Employee disbursements	-	-	-	-	-	136,867,161
Total deductions	<u>\$ 647,784</u>	<u>\$ 87,875</u>	<u>\$ 842</u>	<u>\$ -</u>	<u>\$ 1,225,512</u>	<u>\$ 145,563,191</u>
Net increase (decrease) in fiduciary net position	\$ 123,569	\$ (50,219)	\$ 85,123	\$ -	\$ (932,012)	\$ (3,819,117)
Net position - beginning	<u>915,630</u>	<u>75,925</u>	<u>401,715</u>	<u>7,807</u>	<u>962,056</u>	<u>10,546,087</u>
Net position - ending	<u>\$ 1,039,199</u>	<u>\$ 25,706</u>	<u>\$ 486,838</u>	<u>\$ 7,807</u>	<u>\$ 30,044</u>	<u>\$ 6,726,970</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds - Budget and Actual
Year Ended June 30, 2022

	Special Revenue Funds			
	Courthouse Maintenance Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from use of money and property	-	-	-	-
Charges for services	31,392	31,392	20,505	(10,887)
Intergovernmental:				
Commonwealth	-	-	-	-
Federal Government	-	-	-	-
Total revenues	\$ 31,392	\$ 31,392	\$ 20,505	\$ (10,887)
Expenditures				
Current:				
Community Development				
Planning and community development	\$ -	\$ -	\$ -	\$ -
Total community development	\$ -	\$ -	\$ -	\$ -
Debt service:				
Principal payments	\$ -	\$ -	\$ -	\$ -
Interest and fiscal charges	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ 31,392	\$ 31,392	\$ 20,505	\$ (10,887)
Other financing sources (uses):				
Issuance of refunding bonds	\$ -	\$ -	\$ -	\$ -
Premium on debt	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(31,392)	(31,392)	(15,976)	-
Total other financing sources (uses)	\$ (31,392)	\$ (31,392)	\$ (15,976)	\$ -
Net changes in fund balances	\$ -	\$ -	\$ 4,529	\$ (10,887)
Fund balances at beginning of year	-	-	(4,529)	(4,529)
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Economic Development Fund				Tourism Fund			
Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 1,054,914	\$ 1,500,000	\$ 1,929,213	\$ 429,213
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 1,054,914	\$ 1,500,000	\$ 1,929,213	\$ 429,213
\$ 1,617,883	\$ 4,444,266	\$ 202,832	\$ 4,241,434	\$ -	\$ -	\$ -	\$ -
\$ 1,617,883	\$ 4,444,266	\$ 202,832	\$ 4,241,434	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 1,617,883	\$ 4,444,266	\$ 202,832	\$ 4,241,434	\$ -	\$ -	\$ -	\$ -
\$ (1,617,883)	\$ (4,444,266)	\$ (202,832)	\$ 4,241,434	\$ 1,054,914	\$ 1,500,000	\$ 1,929,213	\$ 429,213
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	5,000,000	5,000,000	-	-	-	-	-
-	-	-	-	(1,054,914)	(1,500,000)	(1,500,000)	-
\$ -	\$ 5,000,000	\$ 5,000,000	\$ -	\$ (1,054,914)	\$ (1,500,000)	\$ (1,500,000)	\$ -
\$ (1,617,883)	\$ 555,734	\$ 4,797,168	\$ 4,241,434	\$ -	\$ -	\$ 429,213	\$ 429,213
1,617,883	(555,734)	4,444,482	5,000,216	-	-	112,335	112,335
\$ -	\$ -	\$ 9,241,650	\$ 9,241,650	\$ -	\$ -	\$ 541,548	\$ 541,548

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds - Budget and Actual
Year Ended June 30, 2022 (Continued)

	Debt Service Funds			
	General Debt Service Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from use of money and property	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal Government	-	-	-	-
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current:				
Community Development				
Planning and community development	\$ -	\$ -	\$ -	\$ -
Total community development	\$ -	\$ -	\$ -	\$ -
Debt service:				
Principal payments	\$ 6,602,779	\$ 19,397,607	\$ 19,397,607	\$ -
Interest and fiscal charges	3,368,270	2,491,379	2,424,755	66,624
Capital projects	-	-	-	-
Total expenditures	\$ 9,971,049	\$ 21,888,986	\$ 21,822,362	\$ 66,624
Excess (deficiency) of revenues over (under) expenditures	\$ (9,971,049)	\$ (21,888,986)	\$ (21,822,362)	\$ 66,624
Other financing sources (uses):				
Issuance of refunding bonds	\$ -	\$ 12,363,444	\$ 12,363,444	\$ -
Premium on debt	-	2,480,680	2,480,680	-
Transfers in	9,971,049	10,760,675	7,011,587	(3,749,088)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	\$ 9,971,049	\$ 25,604,799	\$ 21,855,711	\$ (3,749,088)
Net changes in fund balances	\$ -	\$ 3,715,813	\$ 33,349	\$ (3,682,464)
Fund balances at beginning of year	-	(3,715,813)	(33,349)	3,682,464
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

School Debt Service Fund				Capital Projects Fund			
School Debt Service Fund				Storm Water Control			
Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	14,294	14,294
-	-	-	-	-	-	12,989	12,989
378,423	378,423	383,558	5,135	-	371,613	356,945	(14,668)
79,390	79,390	80,155	765	-	-	-	-
\$ 457,813	\$ 457,813	\$ 463,713	\$ 5,900	\$ -	\$ 371,613	\$ 384,228	\$ 12,615
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,664,781	\$ 16,683,952	\$ 16,683,952	\$ -	\$ -	\$ -	\$ -	\$ -
8,666,948	5,311,150	5,308,543	2,607	-	-	-	-
-	-	-	-	-	1,161,960	64,634	1,097,326
\$ 18,331,729	\$ 21,995,102	\$ 21,992,495	\$ 2,607	\$ -	\$ 1,161,960	\$ 64,634	\$ 1,097,326
\$ (17,873,916)	\$ (21,537,289)	\$ (21,528,782)	\$ 8,507	\$ -	\$ (790,347)	\$ 319,594	\$ 1,109,941
\$ -	\$ 4,556,556	\$ 4,556,556	\$ -	\$ -	\$ -	\$ -	\$ -
-	914,257	914,257	-	-	-	-	-
17,873,916	17,808,103	16,057,969	(1,750,134)	-	-	-	-
-	-	-	-	-	-	-	-
\$ 17,873,916	\$ 23,278,916	\$ 21,528,782	\$ (1,750,134)	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 1,741,627	\$ -	\$ (1,741,627)	\$ -	\$ (790,347)	\$ 319,594	\$ 1,109,941
-	(1,741,627)	-	-	-	790,347	3,486,321	2,695,974
\$ -	\$ -	\$ -	\$ (1,741,627)	\$ -	\$ -	\$ 3,805,915	\$ 3,805,915

Component Unit School Board
Combining Balance Sheet
At June 30, 2022

	<u>School Operating Fund</u>	<u>School Food Services Fund</u>	<u>School Activities Fund</u>	<u>School Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investments	\$ 28,410,997	\$ 3,727,559	\$ 3,155,949	\$ 21,771,943	\$ 57,066,448
Investments - restricted	-	-	-	274,327	274,327
Accounts receivable	250,776	16,870	-	-	267,646
Due from other governments	12,998,088	1,391,316	-	1,736,414	16,125,818
Prepaid items	85,651	-	-	-	85,651
Inventories	301,834	168,193	-	-	470,027
Total assets	<u>\$ 42,047,346</u>	<u>\$ 5,303,938</u>	<u>\$ 3,155,949</u>	<u>\$ 23,782,684</u>	<u>\$ 74,289,917</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 19,465,204	\$ 79,266	\$ -	\$ 7,306,676	\$ 26,851,146
Total liabilities	<u>\$ 19,465,204</u>	<u>\$ 79,266</u>	<u>\$ -</u>	<u>\$ 7,306,676</u>	<u>\$ 26,851,146</u>
Fund Balance					
Nonspendable:					
Inventories and prepaid items	\$ 387,485	\$ 168,193	\$ -	\$ -	\$ 555,678
Restricted:					
Capital Projects	-	-	-	274,327	274,327
Scholarships	-	-	38,207	-	38,207
Committed:					
Education					
Special revenue	22,194,657	5,056,479	3,117,742	-	30,368,878
Assigned:					
Capital projects	-	-	-	16,201,681	16,201,681
Total fund balance	<u>\$ 22,582,142</u>	<u>\$ 5,224,672</u>	<u>\$ 3,155,949</u>	<u>\$ 16,476,008</u>	<u>\$ 47,438,771</u>
Total liabilities and fund balance	<u>\$ 42,047,346</u>	<u>\$ 5,303,938</u>	<u>\$ 3,155,949</u>	<u>\$ 23,782,684</u>	<u>\$ 74,289,917</u>

Component Unit School Board

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

At June 30, 2022

Total fund balances for governmental funds	\$	47,438,771
Total net position reported for governmental activities in the statement of net position are 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	\$	6,174,142
Construction in progress		3,051,133
Buildings and improvements, net of depreciation		131,130,860
Lease buidlings, net of depreciation		1,677,483
Furniture, equipment and vehicles, net of depreciation		5,992,379
School Board capital assets in primary government, net of depreciation		<u>(80,016,460)</u>
Total capital assets		68,009,537
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Deferred inflows related to pensions		(70,671,700)
Deferred inflows related to OPEB		(7,805,543)
Pension and OPEB contributions subsequent to the measurement date and other deferred outflows will be a reduction to the net pension and OPEB liabilities in the next fiscal year and, therefore, are not reported in the funds		
Deferred outflows related to pensions		36,696,546
Deferred outflows related to OPEB		6,649,975
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		(4,771,476)
School energy improvement loan		(5,817,642)
Lease liability		(1,745,811)
Net pension asset		4,081,244
Net pension liability		(87,983,840)
Net OPEB liabilities		<u>(48,953,483)</u>
Total net position of governmental activities (Exhibit 1)	\$	<u><u>(64,873,422)</u></u>

Component Unit School Board

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2022

	School Operating Fund	School Food Services Fund	School Activities Fund	School Capital Projects Fund	Total Governmental Funds
Revenues					
Use of money and property	\$ 284,364	\$ 9,417	\$ -	\$ 13,318	\$ 307,099
Charges for services	3,457,155	29,198	-	-	3,486,353
Miscellaneous	928,837	136,617	1,533,324	1,021,307	3,620,085
Recovered costs	1,111,878	-	-	-	1,111,878
Intergovernmental:					
Appropriation from primary government	159,350,640	-	-	300,000	159,650,640
Commonwealth	63,376,310	141,375	-	960,887	64,478,572
Federal Government	18,209,808	8,864,973	-	1,035,527	28,110,308
Total revenues	\$ 246,718,992	\$ 9,181,580	\$ 1,533,324	\$ 3,331,039	\$ 260,764,935
Expenditures					
Current:					
Education:					
Instruction	\$ 149,997,442	\$ -	\$ 1,554,806	\$ -	\$ 151,552,248
Administration, attendance and health	17,558,783	-	-	-	17,558,783
Transportation	12,247,373	-	-	-	12,247,373
Special Programs	25,069,846	-	-	-	25,069,846
Facilities operations and maintenance	19,738,015	-	-	-	19,738,015
School food services	-	6,001,563	-	-	6,001,563
Technology	7,344,514	-	-	-	7,344,514
Contribution to primary government	2,141,183	-	-	-	2,141,183
Capital projects	-	-	-	34,047,737	34,047,737
Debt service:					
Principal	619,516	-	-	-	619,516
Interest	215,072	-	-	-	215,072
Total expenditures	\$ 234,931,744	\$ 6,001,563	\$ 1,554,806	\$ 34,047,737	\$ 276,535,850
Excess (deficiency) of revenues over (under) expenditures	\$ 11,787,248	\$ 3,180,017	\$ (21,482)	\$ (30,716,698)	\$ (15,770,915)
Other financing sources (uses)					
Transfers in	\$ -	\$ -	\$ -	\$ 4,110,201	\$ 4,110,201
Transfers (out)	(4,110,201)	-	-	-	(4,110,201)
Total other financing sources (uses)	\$ (4,110,201)	\$ -	\$ -	\$ 4,110,201	\$ -
Net change in fund balance	\$ 7,677,047	\$ 3,180,017	\$ (21,482)	\$ (26,606,497)	\$ (15,770,915)
Fund balance, beginning of year	14,905,095	2,044,655	3,177,431	43,082,505	63,209,686
Fund balance, end of year	\$ 22,582,142	\$ 5,224,672	\$ 3,155,949	\$ 16,476,008	\$ 47,438,771

Component Unit School Board
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2022

Net change in fund balances - total governmental funds \$ (15,770,915)

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 capital outlays exceeded depreciation in the current period is as follows:

Capital outlay		
Construction in progress additions	\$ 22,706,690	
Construction in progress deletions	(714,374)	
Buildings and improvements additions	3,049,074	
Furniture, equipment and vehicle additions	<u>2,542,492</u>	27,583,882
Depreciation expense		(10,854,051)

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	<u>(15,136,913)</u>	(15,136,913)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

(Increase) decrease in deferred inflows related to the measurement of the net pension liability	(60,667,181)
(Increase) decrease in deferred inflows related to the measurement of the net OPEB liability	(4,811,612)

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	619,516
Principal retirement of lease liability	475,721
Increase (decrease) in deferred outflows related to the measurement of the net pension liability	(8,812,190)
Increase (decrease) in deferred outflows related to the measurement of the net OPEB liabilities	1,173,206
Net OPEB liabilities	4,044,018
Net pension asset	4,081,244
Net pension liability	82,930,497
Compensated absences	<u>(7,633)</u>
Change in net position of governmental activities (Exhibit 2)	\$ <u><u>4,847,589</u></u>

COUNTY OF ALBEMARLE, VIRGINIA

Component Unit School Board
 School Funds
 Budgetary Comparison Schedule
 Year Ended June 30, 2022

	School Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Use of money and property	\$ 370,597	\$ 370,597	\$ 284,364	\$ (86,233)
Charges for services	3,458,558	3,458,558	3,457,155	(1,403)
Miscellaneous	596,500	596,500	928,837	332,337
Recovered costs	1,167,676	1,204,119	1,111,878	(92,241)
Intergovernmental:				
Appropriation from primary government	141,108,965	152,894,248	159,350,640	6,456,392
Commonwealth	60,741,530	61,368,302	63,376,310	2,008,008
Federal Government	6,606,883	24,935,830	18,209,808	(6,726,022)
Total revenues	\$ 214,050,709	\$ 244,828,154	\$ 246,718,992	\$ 1,890,838
Expenditures				
Current:				
Education:				
Instruction	\$ 152,590,953	\$ 152,869,048	\$ 149,997,442	\$ 2,871,606
Administration, attendance and health	17,641,319	17,893,155	17,558,783	334,372
Transportation	12,058,766	12,213,794	12,247,373	(33,579)
Special Programs	10,563,669	35,296,240	25,069,846	10,226,394
Facilities operations and maintenance	17,671,536	20,205,947	19,738,015	467,932
Food service operations	-	-	-	-
Technology	7,287,692	7,402,431	7,344,514	57,917
Contribution to primary government	2,141,183	2,141,183	2,141,183	-
Capital projects	-	-	-	-
Debt service:				
Principal	619,516	619,516	619,516	-
Interest	215,072	215,072	215,072	-
Total expenditures	\$ 220,789,706	\$ 248,856,386	\$ 234,931,744	\$ 13,924,642
Excess (deficiency) of revenues over (under) expenditures	\$ (6,738,997)	\$ (4,028,232)	\$ 11,787,248	\$ 15,815,480
Other financing sources (uses)				
Transfers in	\$ 5,035,353	\$ 7,295,353	\$ -	\$ (7,295,353)
Transfers (out)	(3,517,396)	(13,410,995)	(4,110,201)	9,300,794
Total other financing sources (uses)	\$ 1,517,957	\$ (6,115,642)	\$ (4,110,201)	\$ 2,005,441
Net change in fund balance	\$ (5,221,040)	\$ (10,143,874)	\$ 7,677,047	\$ 17,820,921
Fund balance, beginning of year	5,221,040	10,143,874	14,905,095	4,761,221
Fund balance, end of year	\$ -	\$ -	\$ 22,582,142	\$ 22,582,142

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

School Food Services Fund				School Capital Projects Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
\$ 50,150	\$ 50,150	\$ 9,417	\$ (40,733)	\$ -	\$ -	\$ 13,318	\$ 13,318
2,689,005	2,689,005	29,198	(2,659,807)	-	-	-	-
120,000	120,000	136,617	16,617	-	-	1,021,307	1,021,307
-	-	-	-	-	-	-	-
-	-	-	-	13,329,812	40,379,875	300,000	(40,079,875)
99,504	99,504	141,375	41,871	960,000	1,446,770	960,887	(485,883)
3,177,384	3,177,384	8,864,973	5,687,589	-	2,725,262	1,035,527	(1,689,735)
<u>\$ 6,136,043</u>	<u>\$ 6,136,043</u>	<u>\$ 9,181,580</u>	<u>\$ 3,045,537</u>	<u>\$ 14,289,812</u>	<u>\$ 44,551,907</u>	<u>\$ 3,331,039</u>	<u>\$ (41,220,868)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,136,043	6,136,043	6,001,563	134,480	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	16,935,576	62,813,902	\$ 34,047,737	28,766,165
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 6,136,043</u>	<u>\$ 6,136,043</u>	<u>\$ 6,001,563</u>	<u>\$ 134,480</u>	<u>\$ 16,935,576</u>	<u>\$ 62,813,902</u>	<u>\$ 34,047,737</u>	<u>\$ 28,766,165</u>
\$ -	\$ -	\$ 3,180,017	\$ 3,180,017	\$ (2,645,764)	\$ (18,261,995)	\$ (30,716,698)	\$ (12,454,703)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,110,201	\$ 4,110,201
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,110,201	\$ 4,110,201
\$ -	\$ -	\$ 3,180,017	\$ 3,180,017	\$ (2,645,764)	\$ (18,261,995)	\$ (26,606,497)	\$ (8,344,502)
-	-	2,044,655	2,044,655	2,645,764	18,261,995	43,082,505	24,820,510
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,224,672</u>	<u>\$ 5,224,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,476,008</u>	<u>\$ 16,476,008</u>

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Statistical Section

Contents

Tables

Financial Trends

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

1 - 5

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

6 - 9

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

10 - 12

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

13 - 14

Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

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

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COUNTY OF ALBEMARLE, VIRGINIA

Table 1

Net Position by Component

Last Ten Fiscal Years

(full accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 21,021,622	\$ 15,838,056	\$ 19,617,917	\$ 19,119,107	\$ 13,365,493	\$ 14,365,980	\$ 18,886,437	\$ 37,769,441	\$ 7,114,666	\$ 11,080,909
Restricted										
Capital projects	364,513	12,019,324	-	-	-	-	-	-	-	-
Grant compliance	1,018,918	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
Debt service	284,252	-	-	-	-	-	-	-	-	-
Unrestricted	69,379,158	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
Total governmental activities net position	\$ 92,068,463	\$ 76,728,027	\$ 44,575,615	\$ 49,791,149	\$ 35,005,479	\$ 59,679,267	\$ 76,176,601	\$ 79,493,877	\$ 63,852,005	\$ 105,737,986
Component Unit - School Board										
Net investment in capital assets	\$ 73,714,848	\$ 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
Unrestricted	(1,113,021)	397,150	(144,572,714)	(138,243,494)	(106,394,992)	(169,446,808)	(174,530,051)	(181,522,654)	(133,916,098)	(132,882,959)
Total component unit activities net position	\$ 72,601,827	\$ 71,668,180	\$ (76,288,352)	\$ (72,850,975)	\$ (46,549,367)	\$ (104,910,625)	\$ (107,394,775)	\$ (110,524,940)	\$ (69,721,011)	\$ (64,873,422)

COUNTY OF ALBEMARLE, VIRGINIA

Table 2

Changes in Net Position
Last Ten Fiscal Years

(full accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government administration	\$ 9,765,599	\$ 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
Judicial administration	\$ 5,489,228	\$ 5,975,851	\$ 6,047,874	\$ 5,909,977	\$ 5,955,611	\$ 6,115,421	\$ 6,423,724	\$ 6,914,556	\$ 7,006,895	\$ 5,048,125
Public safety	\$ 36,742,658	\$ 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
Public works	\$ 6,035,240	\$ 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
Health and welfare	\$ 25,652,233	\$ 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
Education	\$ 106,384,475	\$ 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
Parks, recreation and cultural	\$ 10,350,757	\$ 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
Community development	\$ 27,518,813	\$ 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
Interest on long-term debt	\$ 5,057,480	\$ 5,973,196	\$ 5,416,853	\$ 6,105,200	\$ 6,695,703	\$ 7,370,089	\$ 6,386,159	\$ 5,896,836	\$ 5,753,837	\$ 5,110,508
Total governmental activities expenses	\$ 232,996,483	\$ 256,266,837	\$ 254,547,423	\$ 266,321,748	\$ 298,389,213	\$ 265,185,318	\$ 294,193,147	\$ 327,575,492	\$ 371,724,708	\$ 329,324,203
Component unit activities:										
Albemarle County Public Schools	\$ 173,100,782	\$ 181,612,613	\$ 183,267,944	\$ 188,700,452	\$ 207,155,126	\$ 202,743,987	\$ 206,281,210	\$ 224,268,894	\$ 223,214,007	\$ 240,363,806
Total component unit activities expenses	\$ 173,100,782	\$ 181,612,613	\$ 183,267,944	\$ 188,700,452	\$ 207,155,126	\$ 202,743,987	\$ 206,281,210	\$ 224,268,894	\$ 223,214,007	\$ 240,363,806
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	\$ 383,601	\$ 385,209	\$ 379,547	\$ 397,260	\$ 382,375	\$ 407,226	\$ 402,374	\$ 533,458	\$ 575,409	\$ 159,810
Judicial administration	\$ 554,336	\$ 544,286	\$ 503,083	\$ 500,335	\$ 495,670	\$ 545,992	\$ 482,515	\$ 473,122	\$ 369,342	\$ 610,498
Public safety	\$ 2,124,556	\$ 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
Public works	\$ 60,712	\$ 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	\$ 300,290	\$ 331,375	\$ 335,885	\$ 336,689	\$ 314,000	\$ 312,151	\$ 333,205	\$ 155,050	\$ 41,994	\$ 280,282
Community development	\$ 1,748,806	\$ 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
Operating grants and contributions	\$ 20,604,402	\$ 23,180,407	\$ 23,351,090	\$ 24,223,061	\$ 24,523,951	\$ 24,733,655	\$ 27,736,396	\$ 35,938,814	\$ 53,197,772	\$ 35,701,494
Capital grants and contributions	\$ 141,548	\$ 244,658	\$ 2,100,329	\$ 3,356,618	\$ 1,440,477	\$ 1,541,603	\$ 947,025	\$ 763,951	\$ 460,212	\$ 1,625,099
Total governmental activities program revenues	\$ 25,918,251	\$ 29,360,835	\$ 31,408,460	\$ 34,554,945	\$ 32,891,965	\$ 33,735,543	\$ 35,782,490	\$ 43,643,962	\$ 60,197,058	\$ 45,496,073
Component unit activities:										
Albemarle County Public Schools:										
Charges for services	\$ 6,103,355	\$ 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
Operating grants and contributions	\$ 52,162,077	\$ 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
Capital grants and contributions	\$ 752,000	\$ 1,804,000	\$ 300,000	\$ 1,026,000	\$ 1,752,000	\$ 1,000,000	\$ 960,000	\$ 960,000	\$ 960,000	\$ 960,887
Total component unit activities program revenues	\$ 59,017,432	\$ 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
Net (expense) / revenue										
Governmental activities	\$ (207,078,232)	\$ (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)
Component unit activities	\$ (114,083,350)	\$ (121,772,434)	\$ (123,620,461)	\$ (125,644,175)	\$ (140,596,973)	\$ (136,834,606)	\$ (140,594,298)	\$ (156,678,492)	\$ (146,366,581)	\$ (143,593,322)

COUNTY OF ALBEMARLE, VIRGINIA

Table 2

Changes in Net Position
Last Ten Fiscal Years
(full accrual basis of accounting) (Continued)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
General property taxes, real and personal	\$ 140,017,949	\$ 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
Local sales and use taxes	13,117,767	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
Business license tax	10,397,250	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
Consumer utility taxes	4,266,095	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
Meals tax	6,168,335	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
Motor vehicle licenses taxes	3,773,475	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
Other local taxes	5,264,614	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
Unrestricted grants and contributions	21,045,744	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
Unrestricted revenues from use of money and property	842,474	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
Miscellaneous	649,297	506,060	1,362,906	481,659	282,926	1,774,308	1,042,099	3,103,735	1,488,500	4,807,687
Total governmental activities	\$ 205,543,000	\$ 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
Component Unit - School Board activities:										
Payment from COA: Education	\$ 106,361,725	\$ 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
Unrestricted revenues from use of money and property	765,199	914,242	926,260	1,206,650	1,123,464	1,294,270	1,418,504	680,369	149,533	307,099
Miscellaneous	3,028,065	2,841,684	3,186,514	3,244,419	3,653,968	3,130,408	2,943,003	3,515,742	2,045,740	3,620,085
Total component unit activities	\$ 110,154,989	\$ 120,838,787	\$ 121,265,791	\$ 127,342,552	\$ 166,898,581	\$ 115,403,058	\$ 138,110,148	\$ 153,548,327	\$ 183,989,916	\$ 148,440,911
Change in Net Position										
Governmental activities	\$ (1,535,233)	\$ (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
Component Unit activities	(3,928,361)	(933,647)	(2,354,670)	1,698,377	26,301,608	(21,431,548)	(2,484,150)	(3,130,165)	37,623,335	4,847,589
Total reporting entity	\$ (5,463,594)	\$ (16,274,083)	\$ (3,766,753)	\$ 6,913,911	\$ 11,515,938	\$ 10,938,291	\$ 14,013,184	\$ 187,111	\$ 21,981,463	\$ 46,733,570

COUNTY OF ALBEMARLE, VIRGINIA

Table 3

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(full accrual basis of accounting)

(amounts expressed in Thousands)

Fiscal Year	General Property Tax	Local sales and use Tax	Meals Tax	Motor			Recordation and Wills Tax	Business License Tax	Utility Company Tax	Seller's Tax	Other	Total
				Consumer Utility Tax	Vehicle License Tax	Bank Franchise Tax						
2013 \$	140,018 \$	13,118 \$	6,168 \$	4,266 \$	3,773 \$	644 \$	1,706 \$	10,198 \$	199 \$	412 \$	2,503 \$	183,005
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

COUNTY OF ALBEMARLE, VIRGINIA

Table 4

Fund Balances of Governmental Funds (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ 193,590	\$ 88,554	\$ 118,063	\$ 110,587	\$ 105,800	\$ 157,766	\$ 362,776	\$ 194,447	\$ 118,095	\$ 297,510
Committed	5,138,214	2,497,481	3,150,271	728,372	1,065,746	1,049,115	2,994,658	2,086,681	1,106,902	11,495,856
Education - School Reserve	-	-	-	1,397,998	1,975,506	3,177,769	3,348,919	8,544,517	8,602,629	2,146,237
Unassigned	33,519,691	34,034,836	36,587,173	45,696,114	53,158,067	49,108,973	49,071,604	48,890,972	71,692,134	60,299,825
Total general fund	\$ 38,851,495	\$ 36,620,871	\$ 39,855,507	\$ 47,933,070	\$ 56,305,118	\$ 53,493,622	\$ 55,777,957	\$ 59,716,617	\$ 81,519,760	\$ 74,239,428
All other governmental funds										
Nonspendable										
Loan receivable	\$ 73,100	\$ 60,916	\$ 48,732	\$ 36,548	\$ 24,364	\$ 12,180	\$ -	\$ -	\$ -	\$ 299
Restricted										
Grant compliance	1,018,918	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
Capital Projects	-	-	-	-	-	-	-	-	9,237,024	1,645,949
Debt service funds	648,765	12,019,324	-	-	-	-	-	-	-	-
Committed										
Capital projects funds	18,947,621	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
Storm water projects	-	-	-	-	-	3,906,158	3,212,165	3,610,836	3,486,321	3,805,915
Special revenue	488,767	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
Unassigned	-	-	-	-	-	-	-	(33,349)	(33,349)	-
Total all other governmental funds	\$ 21,177,171	\$ 33,510,048	\$ 19,385,143	\$ 38,510,219	\$ 44,377,291	\$ 48,893,218	\$ 38,668,424	\$ 27,874,765	\$ 30,710,541	\$ 50,921,029

COUNTY OF ALBEMARLE, VIRGINIA

Table 5

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
General property taxes	\$ 141,211,698	\$ 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
Other local taxes	42,987,536	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
Permits, privilege fees and regulatory licenses	1,904,552	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
Fines and forfeitures	735,224	668,593	609,085	472,385	440,281	487,221	515,342	410,333	199,460	310,213
Revenue from use of money and property	834,373	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
Charges for services	2,532,525	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
Miscellaneous	649,297	542,680	1,362,906	481,659	282,926	1,774,308	1,042,099	3,103,735	1,488,500	3,832,495
Recovered costs	904,990	539,548	1,983,051	421,454	386,582	1,020,571	536,259	805,841	993,728	8,327,540
Intergovernmental:										
Contribution from School Board	5,481,172	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
Contribution from Crozet Crossings Trust	-	-	-	-	-	-	-	-	-	-
Contribution from other entities	-	-	-	-	-	-	-	-	-	-
Commonwealth	33,009,455	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
Federal	8,863,542	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
Total revenues	\$ 239,114,364	\$ 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
Expenditures										
General government administration	\$ 11,032,446	\$ 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
Judicial administration	5,041,859	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
Public safety	33,052,196	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
Public works	3,633,473	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
Health and welfare	24,819,930	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
Education - local community college	22,750	24,962	24,024	23,510	23,981	164,934	164,255	164,008	24,048	-
Education - public school system	104,622,967	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
Parks, recreation and cultural	6,269,155	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
Community development	27,440,538	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
Contingencies	682,933	726,253	605,241	632,799	621,493	605,666	548,509	523,728	596,120	1,179,255
Capital outlay	18,574,052	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
Debt service										
Principal	9,926,100	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
Interest and other fiscal charges	6,053,924	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
Total expenditures	\$ 251,172,323	\$ 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
Excess (deficit) of revenues over (under) expenditures	\$ (12,057,959)	\$ (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)
Other financing sources (uses)										
Transfers in	\$ 28,561,430	\$ 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
Proceeds from VRA Debt Issued	362,637	-	-	-	-	-	-	-	-	-
Transfers out	(28,589,793)	(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)
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
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 334,274	\$ 27,290,244	\$ 9,630,000	\$ 43,278,732	\$ 56,834,073	\$ 50,000	\$ -	\$ -	\$ 86,922,353	\$ 20,061,926
Net change in fund balances	\$ (11,723,685)	\$ 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
Debt service as a percentage of noncapital expenditures	6.79%	7.43%	7.03%	7.01%	6.93%	8.37%	7.58%	7.13%	10.70%	11.67%

COUNTY OF ALBEMARLE, VIRGINIA

Table 6

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)
2013	\$ 14,734,853	\$ 905,538	\$ 329,783	\$ 15,970,174	1.045
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

- (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

Table 7

Property Tax Rates (1) (2)
Last Ten Fiscal Years

Fiscal Years	Public Service				Total Direct Tax Rate (4)
	Real Property (3)	Personal Property (3)	Real	Personal	
2013	\$.762/.766	\$ 4.28/4.28	\$.762/.766	\$ 4.28/4.28	1.045
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

(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

Table 8

Principal Property Taxpayers

Current Year and the Period Nine Years Prior (3)

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	2021 Assessed Valuation (1)	Rank	% of Total Assessed Valuation	2012 Assessed Valuation (2)	Rank	% of Total Assessed Valuation
University Real Estate Foundation (4)	\$ 229,458	1	1.04%	\$ 284,917	1	1.77%
Westminster - Canterbury	136,778	2	0.62%	108,574	3	0.68%
5th Street Station Ventures, LLC	88,569	3	0.40%			
Oct Stonefield Property Owner, LLC	77,851	4	0.35%			
Reserve At Belvedere, LLC	62,807	5	0.29%			
Avemore Associates, LP	50,988	6	0.23%			
Brookhill Apartments, LLC	49,728	7	0.23%			
Maalp Stonefield Commons, LLC	48,970	8	0.22%			
Arden Place Associates, LLC	47,124	9	0.21%			
JDM II SF National, LLC	46,510	10	0.21%			
Wendell W Wood	-		-	112,929	2	0.70%
Charles Rotgin Jr	-		-	78,007	5	0.49%
Shopping Center Associates	-		-	74,894	6	0.47%
Charles W Hurt	-		-	84,416	4	0.53%
March Mountain Properties, LLC	-		-	54,138	8	0.34%
PJP Buildings, LLC	-		-	61,387	7	0.38%
Neighborhood Investments, LLC	-		-	49,329	9	0.31%
	\$ 838,783		3.82%	\$ 859,262		5.65%

(1) Based on January 1, 2020 real estate tax assessment records

(2) Based on January 1, 2011 real estate tax assessment records

(3) Amounts expressed in thousands

(4) University Real Estate Foundation Combined beginning FY 2015

COUNTY OF ALBEMARLE, VIRGINIA

Table 9

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 152,881,289	\$ 146,813,431	96.03%	5,971,832	\$ 152,785,263	99.94%
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)	-	228,405,312	95.40%

(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

Table 10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities											Total Outstanding Debt	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	School Pub. Facility Bonds	County Pub. Facility Bonds	Unamortized		Literary		Note Payable	Virginia Resource Authority	Lease Revenue Bonds				
				Bond Premium	Fund Loans									
2013	\$ 89,195,000	\$ 4,581,909	\$ 27,593,091	\$ 5,469,057	\$ -	\$ 406,619	\$ 325,223	\$ -	\$ -	\$ 127,570,899	1.70%	\$ 1,256		
2014	81,055,000	13,009,414	50,410,585	6,972,293	-	-	322,794	-	-	151,770,086	1.95%	1,477		
2015	82,630,000	12,542,312	46,797,688	6,037,843	-	-	283,423	-	-	148,291,266	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		

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

Table 11

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	Debt per Capita (2)
2013	\$ 14,734,853,452	\$ 91,106,736	0.62%	\$ 897
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

(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 literary fund loans only.

COUNTY OF ALBEMARLE, VIRGINIA

Table 12

Legal Debt Margin Information
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 1,473,485,345	\$ 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
Total net debt applicable to limit	91,106,736	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
Legal debt margin	\$ 1,382,378,609	\$ 1,410,413,849	\$ 1,462,706,528	\$ 1,539,850,521	\$ 1,580,715,132	\$ 1,674,856,200	\$ 1,773,989,325	\$ 1,781,249,325	\$ 1,972,493,300	\$ 2,116,895,400
Total net debt applicable to the limit as a percentage of debt limit	6.18%	5.54%	5.43%	4.12%	5.46%	4.53%	3.90%	3.50%	2.83%	2.33%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 18,459,193,250
Debt limit (10% of total assessed value)	\$ 1,845,919,325
Net debt applicable to limit	50,430,000
Legal debt margin	\$ 1,795,489,325

COUNTY OF ALBEMARLE, VIRGINIA

Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita		Median Age (1)	School Enrollment (3)	Unemployment Rate (4)		
		Personal Income (2)(5)	Personal Income (2)(5)					
2013	101,575	\$	7,493,869,000	\$	51,255	38.2	13,263	5.2%
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%

(1) U.S. Census Bureau (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

Table 14

Principal Employers

Current Year and Nine Years Ago

	Fiscal Year 2022		Fiscal Year 2013	
	Rank	Employees	Rank	Employees
University of Virginia/Blue Ridge Hospital	1	1,000 +	1	1,000 +
Sentara Healthcare (Formerly Martha Jefferson)	2	1,000 +	3	1,000 +
U.S. Department of Defense	3	1,000 +	6	
County of Albemarle	4	500 to 999	2	500 to 999
State Farm Mutual Automobile Insurance	5	500 to 999	5	1,000 +
Crutchfield Corporation	6	500 to 999	0	250 to 499
Piedmont VA Community College	7	500 to 999	8	500 to 999
Wal Mart	8	250 to 499	10	250 to 499
Northrup Grumman Corporation	9	250 to 499	7	
Atlantic Coast Athletic Club	10	250 to 499		250 to 499
UVA Health Services Foundation			4	1,000 +
GE Fanuc Automation Manufacturing			9	250 to 499

Source: Virginia Employment Commission

COUNTY OF ALBEMARLE, VIRGINIA

Table 15

Full-time Equivalent County Government Authorized Positions by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administration										
Board of Supervisors	2.0	2.0	2.0	2.5	2.5	2.5	2.8	3.0	3.00	3.00
County Executive (1)	8.0	8.0	8.0	9.5	9.5	9.5	14.0	20.8	20.79	20.50
Yancey School Community Center Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.00	1.00
Human Resources	1.0	1.0	1.0	1.0	1.0	2.5	2.5	1.0	3.00	15.00
County Attorney	8.0	8.0	8.0	8.0	8.0	9.0	9.0	90.0	9.00	10.00
Finance (1)	52.8	53.3	54.8	55.8	55.8	58.8	60.8	62.8	62.80	73.10
Information Technology	20.0	21.0	21.0	22.0	22.0	21.5	23.0	27.0	27.00	29.00
Board of Elections (Registrar)	4.5	4.5	4.8	4.8	4.8	4.8	4.8	4.8	5.80	5.80
Judicial										
Circuit Court	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.00	2.00
Clerk of the Circuit Court	10.5	11.0	11.0	11.0	11.5	11.5	11.5	15.5	12.50	12.50
Commonwealth's Attorney	9.5	9.5	11.5	11.5	11.5	12.5	12.5	26.0	27.00	27.00
Sheriff	23.0	23.0	23.0	23.0	23.0	23.0	25.0	13.5	13.50	15.50
Public safety										
Police	147.5	151.5	156.5	163.5	163.5	166.5	169.5	173.0	173.00	180.50
Victim Witness	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.00	2.00
Crime Analysis Grant	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.00	0.00
Problem Oriented Policing	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.00	0.00
Fire/Rescue	93.5	96.0	98.6	109.0	109.0	113.0	119.5	121.5	142.50	139.00
FEMA Grant (4)	0.0	9.0	8.4	0.0	0.0	0.0	0.0	0.0	10.00	20.00
Public Works (5)										
Facilities & Environmental Services	22.1	22.0	23.0	26.3	26.3	27.3	28.3	28.3	29.25	29.50
Facilities - Project Mgmt	9.0	9.0	9.0	8.5	8.5	9.0	9.0	11.5	11.50	11.50
Human Development										
Social Services	103.7	107.3	110.1	115.2	117.2	126.7	135.3	137.8	137.75	151.80
Bright Stars	18.3	18.7	18.7	21.1	21.1	21.1	23.5	23.5	23.50	1.00
Parks, Recreation, and Culture										
Parks and Recreation	17.0	17.0	17.0	17.0	17.0	17.8	19.8	21.8	21.75	21.00
Towe Park	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.00	3.00
Community Development										
Community Development	58.0	58.0	63.5	66.5	68.5	72.5	76.5	75.5	75.50	76.50
Economic Development (3)	0.0	0.0	2.5	2.5	2.5	3.0	3.0	3.0	3.00	1.00
Housing	6.0	6.0	6.0	6.0	6.0	0.0	0.0	0.0	0.00	4.00
Soil and Water Conservation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.00	1.00
Totals	621.4	642.8	666.4	693.6	698.1	720.4	758.1	868.2	821.14	856.20

(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

Table 16

Operating Indicators by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police department:										
Physical arrests	3,064	3,035	3,268	3,157	2,753	2,278	3,120	2,094	2,855	1,766
Traffic violations	8,223	9,991	10,251	6,939	9,243	9,083	9,368	6,048	3,698	10,091
Fire and rescue:										
Number of calls answered	12,666	12,385	13,053	13,507	13,263	14,336	15,152	15,302	14,329	16,855
Zoning & Current development										
New residential construction (unit #)	345	468	474	449	592	664	661	909	701	409
New commercial construction (unit #)	57	36	29	42	48	53	46	26	11	2
Health and welfare										
Department of Social Services:										
Caseload	19,442	17,519	17,336	16,612	N/A	13,647	21,229	15,682	15,682	16,944
Culture and recreation										
Parks and recreation:										
Middle school sports program participants	1,093	1,074	1,114	1,106	1,036	1,076	1,002	951	200	1,049
Fee based classes/camps	1,747	1,583	1,899	1,767	1,850	2,758	3,095	766	394	1,018
Summer playground program	389	382	347	298	293	365	418	-	600	325
Men's Basketball	350	300	340	340	350	320	320	320	-	320
Component Unit - School Board										
Education:										
School enrollment	13,263	13,420	13,680	13,737	13,790	13,927	14,013	14,435	13,532	13,749
Number of central office instructors (1)	43	42	51	63	66	84	74	88	99	74
Number of elementary instructors	563	571	571	562	568	580	590	608	602	614
Number of secondary instructors	603	615	610	608	616	626	629	647	694	656

Source: Individual county departments

COUNTY OF ALBEMARLE, VIRGINIA

Table 17

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Administration vehicles	6	7	7	7	9	9	10	12	12	10
Judicial										
Sheriff's department patrol units	36	43	40	39	44	44	49	49	49	60
Public safety										
Police department patrol units	195	190	227	220	223	223	243	244	244	252
Fire/Rescue department vehicles	39	51	54	52	63	63	64	62	62	85
Community Development										
Economic Development (3)	-	-	-	-	1	1	8	8	8	1
Building codes:										
Administration (2)	3	3	6	3	4	4	4	4	4	4
Inspections vehicles	11	11	10	13	14	14	14	14	14	18
Planning (2)	-	-	-	-	-	-	-	-	-	-
Zoning vehicles (2)	-	-	-	-	-	-	-	-	-	-
Public works										
General Services:										
General maintenance vehicles	7	7	8	8	11	11	11	10	10	10
Facilities Development	3	3	3	3	3	3	3	3	3	6
Pool vehicles	11	11	12	12	11	11	11	11	11	11
Health and welfare										
Social Services vehicles	14	14	16	16	13	13	13	14	14	15
Parks and recreation										
Community centers	3	3	3	3	3	4	4	4	4	4
Vehicles	29	29	29	29	29	29	29	34	34	28
Parks (1)	37	38	38	38	38	39	39	39	39	39
Parks acreage (1) (4)	4,634	5,044	5,044	5,044	5,044	6,234	6,234	6,234	6,234	6,234
Tennis courts	36	36	36	36	36	36	36	36	36	36
Community development										
Housing vehicles	1	1	1	1	1	1	1	1	1	2

Source: Individual county departments

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

(2) Combined Divisions FY 12/13

(3) New to Vehicle Inventory FY 16/17

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the 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, 2022, and the related notes to the financial statements, which collectively comprise the County of Albemarle, Virginia's basic financial statements, and have issued our report thereon dated February 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Albemarle, Virginia'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Albemarle, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Albemarle, Virginia'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia

February 6, 2023



**Independent Auditors' 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 Each Major Federal Program

We have audited County of Albemarle, Virginia's 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 County of Albemarle, Virginia's major federal programs for the year ended June 30, 2022. County of Albemarle, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Albemarle, Virginia's 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, 2022.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Albemarle, Virginia's and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination 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 County of Albemarle, Virginia's federal programs.

Auditors' 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 County of Albemarle, Virginia'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 County of Albemarle, Virginia's compliance with 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 risks 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 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 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 a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 were not identified.

Report on Internal Control over Compliance (Continued)

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.

Robinson, Farnell, Cox Associates
Charlottesville, Virginia
February 6, 2023

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Schedule of Expenditures of Federal Awards
 Primary Government and Discretely Presented Component Unit
 Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Primary Government:				
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	10115, 10116 40115, 40116	\$ 2,204,342	\$ -
Total Department of Agriculture			\$ 2,204,342	\$ -
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	82201,84728,84928,8 5528,858828	\$ 4,887	\$ -
Title IV-E Prevention Program	93.472	84751,84951,85551,8 5851	14,904	-
Temporary Assistance for Needy Families	93.558	400115, 400116	434,170	-
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	760115, 760116	91,920	-
Foster Care - Title IV-E	93.658	1100115, 1100116	977,486	-
Adoption Assistance	93.659	1120115, 1120116	1,241,735	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	500115, 500116	\$ 79,366	-
COVID19-MaryLee Allen Promoting Safe and Stable Families Program	93.556	500115, 500116	3,574	-
Total 93.556			82,940	-
Refugee and Entrant Assistance State/Replacement				
Designee Administered Programs	93.566	500115, 500116	45,821	-
Low-Income Home Energy Assistance	93.568	600415, 600416	66,957	-
Chafee Education and Training Vouchers Program	93.599	9160115, 9160116	\$ 894	-
COVID19-Chafee Education and Training Vouchers Program	93.599	9160115, 9160116	11,160	-
Total 93.599			12,054	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900115, 900116	892	-
Social Services Block Grant	93.667	1000115, 1000116	541,477	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150115, 9150116	\$ 14,753	-
COVID19-John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150115, 9150116	35,738	-
Total 93.674			50,491	-
Elder Abuse Prevention Interventions Programs	93.747	896101	1,931	-
Children's Health Insurance Program	93.767	540115, 540116	32,185	-
Medicaid Cluster:				
Medical Assistance Program	93.778	1200115, 1200116	1,719,841	-
Total Department of Health and Human Services			\$ 5,319,691	\$ -
Department of Housing and Urban Development:				
Direct Payments:				
Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation	14.856	N/A	\$ 334,693	-
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	\$ 3,158,137	-
Mainstream Vouchers	14.879	N/A	728,063	-
Total Housing Choice Cluster			\$ 3,886,200	4,220,893
Pass Through Payments:				
Department of Housing and Community Development:				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Unknown	19,500	-
Total Department of Housing and Urban Development			\$ 4,240,393	\$ -

Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2022 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Primary Government: (Continued)				
Department of Justice:				
Direct Payments:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	\$ 6,300	\$ -
Pass Through Payments:				
Crime Victim Assistance	16.575	N/A	92,982	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	39001-41000	6,118	-
Total Department of Justice			\$ 105,400	\$ -
Department of Transportation:				
Pass Through Payments:				
Department of Transportation:				
Highway Planning Cluster:				
Highway Planning and Construction	20.205	Unknown	\$ 263,950	-
Total Department of Transportation			\$ 263,950	\$ -
Department of Treasury:				
Direct Payments:				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 3,810,343	\$ 2,655,000
Pass Through Payments:				
Virginia Compensation Board:				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027	Unkown	35,525	-
Virginia Tourism Commission:				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027	Unkown	50,000	-
Virginia Department of Accounts:				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027	Unkown	195,359	-
Total 21.027			\$ 4,091,227	\$ 2,655,000
COVID-19- Coronavirus Relief Fund	21.019	SLT0022	- \$ 67,430	-
Total Department of Treasury			\$ 4,158,657	\$ 2,655,000
Department of Homeland Security:				
Department of Emergency Services:				
Pass Through Payments:				
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Unknown	\$ 864,747	\$ -
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown	14,243	-
Emergency Management Performance Grants	97.042	Unknown	22,844	-
Assistance to Firefighters Grant	97.044	Unknown	3,893	-
Total Department of Homeland Security			\$ 905,727	\$ -
Total Federal Expenditures - Primary Government			\$ 17,198,160	\$ 2,655,000
Component Unit - School Board:				
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Education:				
Summer Food Service Program for Children	10.559	Unknown	\$ 126,006	\$ -
Pass Through Payments:				
Department of Education:				
School Breakfast Program	10.553	17901-40591,40253	\$ 1,653,242	-
Total 10.553			\$ 1,653,242	-
COVID-19- National School Lunch Program	10.555	17901-40623,40254	\$ 174,467	-
National School Lunch Program	10.555	17901-40623,40254	6,445,988	-
Department of Agriculture:				
Food Distribution	10.555	Unknown	465,270	-
Total 10.555			\$ 7,085,725	\$ 8,864,973
Total Department of Agriculture			\$ 8,864,973	\$ -

Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2022 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
Component Unit - School Board: (Continued)				
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Education:				
COVID-19- Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknow	\$ 1,035,527	\$ -
Department of Education:				
Pass Through Payments:				
Title I Grants to Local Educational Agencies	84.010	17901-42901	\$ 1,659,136	\$ -
Title I Grants - State Agency Program for Neglected and Delinquent Children and Youth	84.013		7,831	-
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	17901-43071	\$ 3,134,224	-
Special Education - Preschool Grants	84.173	17901-62521	70,620	3,204,844
Adult Education - Basic Grants to States	84.002	17901-42801		-
		17901-61380		-
Migrant Education-State Grant Program	84.011	17901-42910	103,791	-
Career and Technical Education - Basic Grants to States	84.048	17901-61095	164,085	-
Migrant Education Coordination Program	84.144	17901-61399	7,592	-
Education for Homeless Children and Youth	84.196	17901-42940	69,121	-
English Language Acquisition State Grants	84.365	17901-60512	113,868	-
Student Support and Academic Enrichment Program	84.424	S424A200048	97,733	-
COVID-19 Education Stabilization Fund:				
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008	12,453,757	-
Governor's Emergency Education Relief Fund	84.425C	S425C200042	27,365	12,481,122
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	17901-61480	300,685	-
Total Department of Education			\$ 18,209,808	\$ -
Total Federal Expenditures - Component Unit- School Board			\$ 28,110,308	\$ -
Total Expenditures of Federal Awards			\$ 45,308,468	\$ 2,655,000

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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COUNTY OF ALBEMARLE, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

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, 2022. 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 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Primary government:	
General Fund	\$ 7,572,391
Federal/State Grants Fund	5,282,185
CARES ACT Fund	4,123,132
General Capital Improvements	263,950
Other Governmental Funds	80,155
Total primary government	<u>\$ 17,321,813</u>
Component Unit School Board:	
School Operating Fund	\$ 18,209,808
School Food Services Fund	8,864,973
School Capital Projects Fund	1,035,527
Total Component Unit School Board	<u>\$ 28,110,308</u>
Total federal expenditures per basic financial statements	\$ 45,432,121
Amounts required to reconcile federal revenues to expenditures:	
Less: Payment in lieu of taxes	(43,498)
Less: QCSB federal credit in debt service fund	<u>(80,155)</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 45,308,468</u></u>

COUNTY OF ALBEMARLE, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major programs:

<u>Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19-Coronavirus State and Local Fiscal Recovery Funds
14.871 / 14.879	Housing Voucher Cluster
84.425	Education Stabilization Fund
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs.	\$ 1,359,254
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings

There are no findings from the prior year.

ACKNOWLEDGEMENTS

As with many of the programs of the County of Albemarle, the compilation of the Annual Comprehensive Financial Report is a Finance & Budget Department team effort. This acknowledgement identifies those key individuals who shared in the development of this report; many others who assisted are not individually identified.

Andy Bowman, Chief of Budget

Chase Chandler, Accounting Manager

Lisa Davis, Accountant II

Kimberly Gardner, Grants Leader

Daniel Greene, Chief of Treasury

Lindsay Huff, Partnerships & Agreements Coordinator

Tonya Kernodle, Accountant IV

Shelby Kullman, Accountant II

Jian Lin, Chief of Revenue Administration

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