



Annual
Comprehensive
Financial Report

2024

Charlottesville

For the Year Ended

June 30, 2024



CITY OF CHARLOTTESVILLE, VIRGINIA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024

**Prepared by
Department of Finance**

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CITY OF CHARLOTTESVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION



CITY OF CHARLOTTESVILLE

To be a place where everyone thrives

Office of the Director of Finance
P.O. Box 911
Charlottesville, Virginia 22902
Telephone: 434-970-3200
www.charlottesville.gov

December 31, 2024

Citizens, City of Charlottesville
Honorable Mayor and Members
of the City Council
City of Charlottesville, Virginia

Dear Citizens and Council Members:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Charlottesville (the City) for the fiscal year ended June 30, 2024.

The ACFR was prepared in accordance with Section 11-96 of the Charlottesville City Code. The City's Finance Department prepared the report, and it was audited by the City's independent auditors, Robinson, Farmer, Cox Associates (RFCA). RFCA's opinions are included in this report. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

Generally accepted accounting principles (GAAP) require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

As a recipient of funds from the Federal government, the City is required to undergo an annual single audit in conformity with the provisions of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations are contained in an appendix at the back of the ACFR.

THE REPORTING ENTITY AND ITS SERVICES

The City is located in Central Virginia, approximately 100 miles southwest of Washington, D.C. and 70 miles northwest of Richmond, Virginia. As the seat of both the City and Albemarle County governments, Charlottesville serves as an economic, cultural and educational center in Central Virginia. As the home of the University of Virginia, one of the most prestigious and highly regarded universities in the country, the City derives a number of benefits, both economic and in the quality of life, from being associated with this area.

The City provides a full range of services. These services include police and fire protection, solid waste collection and disposal, education, parks, recreational and cultural activities, street and highway maintenance and construction, health and welfare, and community and economic development. In addition to these general governmental activities, the City also operates gas, water, wastewater, and stormwater systems as enterprise funds and maintains a pension trust fund and a post-employment benefits fund for its employees.

The financial reporting entity includes all funds of the Primary Government (i.e., the City), as well as the component units for which the City is financially accountable. The City of Charlottesville Public Schools (the School Board or Schools) and the Charlottesville Economic Development Authority (CEDA) are included in the report as discretely presented component units in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City and to differentiate their financial position and results of operations from that of the City. Both of these component units are administered by separate boards. School Board members are elected At Large and CEDA members are appointed by City Council. The Charlottesville Redevelopment and Housing Authority (CRHA) is not included in the reporting entity because the City is not financially accountable for the CRHA.

FINANCIAL CONDITION AND OUTLOOK

For Fiscal Year 2024 (completed June 30, 2024): The Combined General Fund finished fiscal year 2024 with a positive result as revenues exceeded expenditures by \$2.8 million. The total combined fund balance increased from \$71.4 million at the end of fiscal year 2023 to \$74.2 million at the end of fiscal year 2024. When restricted uses of fund balance are netted out (including the City's 17% fund balance policy), the General Fund finished with \$22.9 million of unrestricted funds in fund balance.

Several of the City's largest, locally sourced, revenues performed better than expected, including Real Estate Taxes, Personal Property Taxes, Sales and Use Taxes, Meals Taxes, and Business Licenses. The City also benefited from record high interest rates as interest income revenue from investment of its idle cash performed significantly higher than expected.

The majority of City departments spent less than budgeted resulting in budget savings. Salaries and benefit savings resulting from vacant positions were the largest category of under spending. In addition to salary savings, these vacancies resulted in additional savings from fewer purchases of related supplies, equipment, tools, etc used by employees in those positions.

The City has been focused on the long-term financial sustainability of the City's retirement plan and Other Post-Employment Benefits (OPEB). The funded status of the City's pension plan steadily increased from 53.7% in fiscal year 2017 to 69.1% fiscal year 2024. Similarly, the funded status of the City's OPEB plan has increased from 43.0% in fiscal year 2017 to 93.3% in fiscal year 2024. As part of its AAA-rated financial management, the City has traditionally funded 100% of its required Actuarially Determined Contribution (ADC) for pension costs and OPEB and plans to continue do so in the future. In addition, the City has benefited from long-term market performance in excess of our 7.5% assumed rate of return.

For Fiscal Year 2025 (beginning July 1, 2024): The Adopted Budget for the General Fund for fiscal year 2025 totals \$251.9 million (a 10.3% increase over the fiscal year 2024 budget).

The fiscal year 2025 budget realizes the delivery of City Council's top priorities including:

- The integration of collective bargaining. City Council passed the first Collective Bargaining Ordinance in 2022, authorizing the designation of three employee unions for the Charlottesville Police Department (CPD), Charlottesville Fire Department (CFD), and Charlottesville Area Transit (CAT). The negotiations have led to three tentative agreements effective July 1, 2024.
- The full implementation of a modern compensation system for all Unaffiliated Employees. Included in Class and Compensation is the recognition of pay changes for employees in the departments now organized as bargaining units, but who fall outside of the contracts because they will either be included in future eligible bargaining units by classification or will never be in a bargaining unit due to management level. These employees are provided Meet and Confer rights within the collective bargaining ordinance. Nearly \$2 million has been reserved to address the resulting compression that will be offset by pay changes to this employee pool as an additional step in the implementation of the new compensation program. The budget includes a 4% cost of living (COLA) increase for Unaffiliated Employees who, after implementation of the Class and Compensation changes, do not see a minimum increase equal to that amount to ensure their compensation aligns with the base economic shift.
- A deeper investment in Charlottesville City Schools - both operating and capital planning. The fiscal year 2025 budget maintains a very strong commitment to Charlottesville City Schools (CCS). It provides \$7 million in increased operating support, in addition to \$634,768 and \$93,700 in increased expenditures for pupil transportation and school building maintenance services. These funding amounts also ensure CCS's projected \$2.9 million funding reduction from the state as a part of the LCI reductions was replaced with local dollars. Through the City's Capital Improvement Program (CIP), \$6.25 million in funding is included to continue the \$1.25 million a year in an unallocated fund that the schools can use for priority capital improvement initiatives of their choice, and \$30 million for the Walker Pre-K Center in fiscal years 2027 and 2028. A total of \$56.24 million is allocated in the 5-year CIP for school-related projects.

In addition to these notable investments, the fiscal year 2025 budget supports the Strategic Plan areas of Transportation, Affordable Housing, Climate Action, Public Safety and a commitment to Justice, Equity, Diversity, Inclusion.

The delivery of these priorities required a tax increase scenario as follows:

- Real Estate Tax Rate increase from \$0.96/\$100 to \$0.98/\$100.
- Meals Tax Rate increase from 6.5% to 7.0%
- Personal Property increase from \$4.20/\$100 to \$4.40/\$100.
- Lodging Tax Rate increase from 8.0% to 9.0%.

ECONOMIC CONDITION AND OUTLOOK

As noted earlier, the City's economy in fiscal year 2024 continued its strong performance from the previous fiscal year.

The City's unemployment rate increased from 2.6% in July 2023 to 2.9% in July 2024. This is lower than both the national unemployment rate of 4.5%, and the state's rate of 3.3%.

For tax year (calendar) 2024, the total value of real property (both existing and new construction) increased in value by 5%. Residential properties increased in value by 5.9% while the value of commercial properties increased by 3.6%. The majority of the increase in real estate values is from existing properties. The increase attributable to new construction is 0.40%

Capital investments continued in the City in 2023. Specifically, 361 commercial/institutional construction permits were issued with an investment value of \$57.5 million and residential construction permits totaled 1,342 with a value of \$84.9 million.

OTHER INFORMATION

Independent Audit: State law requires that the financial statements of the City be audited annually by a certified public accounting firm selected by City Council. An audit of the financial records of the City has been performed by the accounting firm of Robinson, Farmer, Cox Associates, for the year ended June 30, 2024. The audit was also designed to meet the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). The independent auditor's report on the government-wide financial statements and the fund financial statements and required supplementary information is included in the financial section of this report.

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the forty fourth (44) consecutive such award received by the City. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Charlottesville for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. With this award and GFOA awards for "Certificate for Excellence in Financial Reporting" and "Distinguished Budget Presentation" the City joins the ranks of "Triple Crown" winners of GFOA's most prestigious awards. Of GFOA's 21,000 member jurisdictions, approximately 300 are Triple Crown winners. The City joins 14 other Virginia local governments on the list of Triple Crown winners.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not have been accomplished without the dedicated service of each member of the Finance Department. I thank them for their dedication and professionalism.

I would also like to thank the members of City Council for your continued interest and support in planning and conducting the financial matters of the City in a sustainable and equitable manner.

Respectfully submitted,

A handwritten signature in blue ink, reading "Christopher V. Cullinan". The signature is written in a cursive style with a large initial 'C'.

Christopher V. Cullinan
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Charlottesville
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF CHARLOTTESVILLE, VIRGINIA
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2024

ELECTED OFFICIALS

Council Members:

Juandiego Wade	Mayor
Brian Pinkston	Vice-Mayor
Natalie Oschrin	Council Member
Michael Payne	Council Member
Lloyd Snook	Council Member

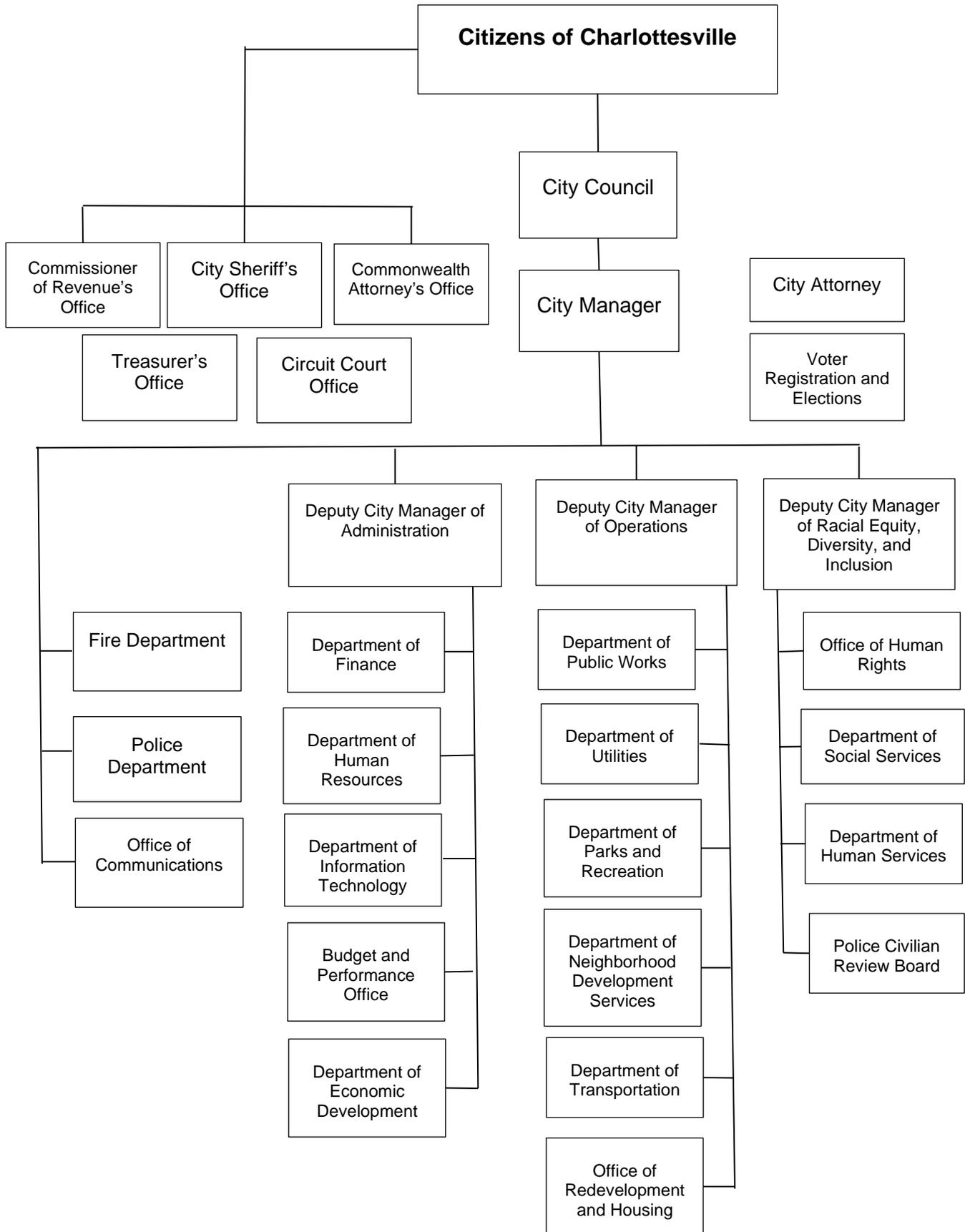
Constitutional Officers:

Jason A. Vandever	City Treasurer
Todd D. Divers	Commissioner of Revenue
Joseph D. Platania	Commonwealth's Attorney
James E. Brown, III	City Sheriff
Llezelle A. Dugger	Clerk of Circuit Court

APPOINTED OFFICIALS

Samuel Sanders, Jr.	City Manager
Eden Ratliff	Deputy City Manager for Administration
James Freas	Deputy City Manager for Operations
Ashley Marshall	Deputy City Manager of Racial Equity, Diversity and Inclusion
Vacant	City Attorney
Afton Schrader	Director of Communications
Krisy Hammill	Director of Budget and Performance Management
Chris Engel	Director of Economic Development
Christopher V. Cullinan	Director of Finance
Michael Thomas	Fire Chief
Steve Hawkes	Director of Information Technology
Alexander Ikefuna	Director of Office of Community Solutions
Kellie Brown	Director of Neighborhood Development Services
Michael Kochis	Chief of Police
Steven Hicks	Director of Public Works
Riaan Anthony	Director of Parks and Recreation
Taylor Yowell	General Registrar
Laura Morris	Director of Social Services
Misty Graves	Director of Human Services
Lauren Hildebrand	Director of Utilities
Garland Williams	Director of Transit
Kyna Thomas	Clerk of City Council

City Organizational Chart





FINANCIAL SECTION



Independent Auditors' Report

**To the Honorable Members of
the City Council
City of Charlottesville, 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 City of Charlottesville, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 City of Charlottesville, Virginia, as of and for the year ended June 30, 2024, 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

We did not audit the financial statements of the School Activity Funds, which represent 1.78 percent, 1.12 percent, and 1.00 percent, respectively, of the governmental fund assets, governmental activities assets, and revenues of the discretely presented component unit - Charlottesville School Board as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School Activity Funds, is based solely on the report of the other auditors.

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 City of Charlottesville, 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.

Restatement of Beginning Balances

As described in Note 30 to the financial statements, in 2024, the City restated beginning balances to correct errors related to prior year leases, subscription-based IT arrangements, and capital asset purchases. Our opinion is 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 City of Charlottesville, 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 City of Charlottesville, 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 City of Charlottesville, 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 and analysis, budgetary comparison information, 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 and other auditors 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 City of Charlottesville, Virginia's basic financial statements. The accompanying supplementary section is presented for purposes of additional analysis and is 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 by us and other auditors. In our opinion, based on our audit and the report of other auditors, the supplementary section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

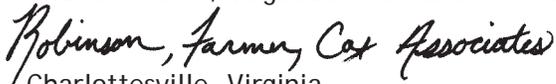
Other Information

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 December 16, 2024, on our consideration of City of Charlottesville, 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 City of Charlottesville, 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 City of Charlottesville, Virginia's internal control over financial reporting and compliance.


Charlottesville, Virginia
December 16, 2024

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

As management of the City of Charlottesville, Virginia, we offer readers this narrative overview and analysis of the financial activities of the City of Charlottesville, Virginia for the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section. The intent of this discussion and analysis is to evaluate the City's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Government-wide

- The City's total net position, on a government-wide basis excluding component units, totaled \$349.2 million as of June 30, 2024.
- The City's net position for the combined governmental and business-type activities, increased by \$47.1 million over the prior year. This an increase of \$42.7 million, as restated, for the governmental net position and a \$4.4 million increase in business-type net position. The increase in governmental net position can be attributed to a 6% increase in tax revenue. The increase in business-type net position can be attributed to a 9% decrease in operating expenses. A portion of the increase is related to the restatement due to leases and subscription-based costs that should have been capitalized in the prior year.

Government Funds

- As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$98.4 million, a decrease of \$28.4 million over the prior year, primarily due to filling previously vacant positions in several funds. Approximately 62.1 percent, or \$61.1 million, of this amount is unassigned.
- The General Fund, on a current financial resource measurement focus and the modified accrual basis of accounting, reported revenues \$10.0 million over budget. Several tax revenues (real estate, personal property tax, and meals) performed better than expected. The expenditures and other financing sources (net) finished out the year \$10.8 million under budget primarily due to vacancies. In addition, City departments continued diligently monitoring their budgets.

Long-term Liabilities

- The City's total long-term liabilities, consisting of general obligation bonds, compensated absences, pension, leases, and OPEB obligations decreased by \$35.2 million during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Charlottesville's basic financial statements. The City's basic financial statements comprise the following three components:

- *Government-wide financial statements, Exhibits A and B*
- *Fund financial statements, Exhibits C, D, E, and F*
- *Notes to the financial statements*

This report contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements presenting different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's *overall financial status*.

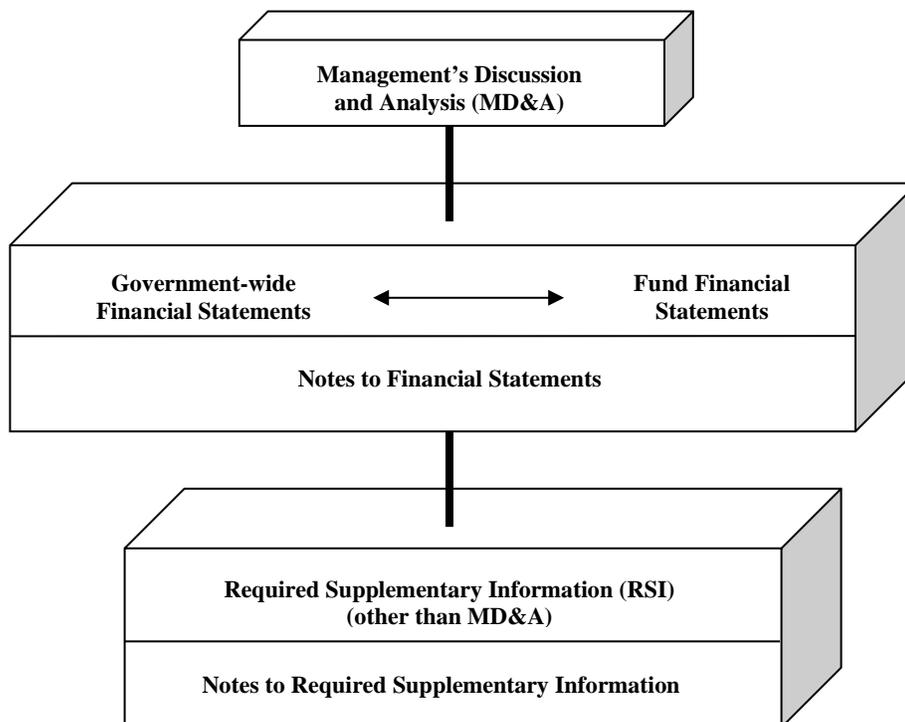
CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis Year Ended June 30, 2024

- The remaining statements are *fund financial statements* that focus on *individual parts* of the City’s government, reporting the City’s operations in *more detail* than the government-wide statements.
 - *Governmental fund* statements tell how *general government* services such as public safety were financed in the *short term* as well as what amounts remain for future spending.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the public utility systems (water, sewer, and gas) and the golf course.
 - *Fiduciary fund* statements provide information about the financial relationship in which the City acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong, such as the City’s retirement and post-employment benefit plans.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A shows how the required parts of this *Management’s Discussion and Analysis* and the City’s *basic financial statements* are arranged and relate to one another.

Figure A
Required Components of City’s Financial Statements



The government-wide financial statements provide both long-term and short-term information about the City’s overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the City’s accountability.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused accrued vacation leave.)

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

In the Statement of Net Position and the Statement of Activities, the City is divided into three categories:

- *Governmental activities* – Most of the City's basic services are included here, such as the activities of the police, fire, public works, social services, parks and recreation departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – The City charges fees to customers to cover the cost of certain services it provides. The City's water, sewer, gas and stormwater systems as well as the golf course are included here.
- *Component units* – The City includes two separate legal entities in its report – the City of Charlottesville Economic Development Authority and the Charlottesville Public Schools. Although legally separate, these "component units" are important because the City is financially accountable for them and provides operating funding.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Charlottesville, Virginia can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds.** Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the long-term focus of the government-wide financial statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund financial statements.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

- **Proprietary Funds.** Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary fund statements, like the government-wide financial statements, provide both short-term and long-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, with the exception of the Internal Service Funds' allocation, but they provide more detail and additional information, such as a *statement of cash flows*. The City also uses internal service funds (another kind of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities – such as the Risk Management Fund and the Information Technology Fund.
- **Fiduciary Funds.** Fiduciary funds are used to report assets held in a trustee or agency capacity for others outside the government. The City maintains two pension trust funds for retirement and post-employment benefits. These activities are reported in a separate statement of fiduciary net assets. The City excludes this activity from its government-wide financial statements because the City cannot use these assets to finance its operations.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of or following each statement. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the government-wide statements).

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following Exhibit F-2 at the end of the basic financial section of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information and notes*. The General, American Rescue Plan Act and Social Service are major funds. Their budget and actual reports are presented on a budgetary reporting basis as Exhibits G-1, G-2 and G-3. Progress in funding its obligations to provide pension and other post-employment benefits (OPEB) plans to its employees is provided as Exhibits H-1, H-2, H-3, H-4, and H-5.

The supplementary section has other major fund budget and actual reports for Capital Project and Debt Service are presented on a budgetary reporting basis as Exhibits I-1 and I-2. Non-major governmental funds are presented in Exhibits J, K, K-1, K-2, K-3, K-4, K-5, and K-6. Proprietary fund statements are presented as Exhibits E-1, E-2, and E-3. Internal Service funds are presented as Exhibits L-1, L-2, and L-3.

Financial Statements for the Charlottesville School Board – Component unit are presented in Exhibits M-1, M-2, M-3, M-4, M-5, M-6 and M-7. Progress in funding School Board obligation to provide pension and other postemployment benefits (OPEB) plans to its employees is provided as Exhibits H-5, H-6, H-7, H-8, H-9, H-10, and H-11.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

City of Charlottesville, Virginia Condensed Statement of Net Position June 30, 2024 and 2023

Table I

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 216,702,213	\$ 252,799,296	\$ 29,781,730	\$ 36,343,925	\$ 246,483,943	\$ 289,143,221
Capital assets	336,731,881	289,786,028	111,301,141	107,379,956	448,033,022	397,165,984
Total assets	<u>553,434,094</u>	<u>542,585,324</u>	<u>141,082,871</u>	<u>143,723,881</u>	<u>694,516,965</u>	<u>686,309,205</u>
Deferred Outflow of resources	57,317,600	55,329,133	5,848,554	5,806,997	63,166,154	61,136,130
Liabilities:						
Long-term liabilities	191,063,245	270,432,166	61,261,567	74,721,105	252,324,812	345,153,271
Other liabilities	54,259,408	12,821,400	11,275,687	4,842,658	65,535,095	17,664,058
Total liabilities	<u>245,322,653</u>	<u>283,253,566</u>	<u>72,537,254</u>	<u>79,563,763</u>	<u>317,859,907</u>	<u>362,817,329</u>
Deferred inflow of resources	87,120,659	82,310,970	3,523,034	3,530,038	90,643,693	85,841,008
Net Position:						
Net investment in capital assets	231,154,494	189,196,275	55,270,401	50,437,386	286,424,895	239,633,661
General government	293,592	202,604	-	-	293,592	202,604
Public safety	713,180	494,068	-	-	713,180	494,068
Health and welfare	513,503	459,781	-	-	513,503	459,781
Parks, recreation and culture	165,659	81,475	-	-	165,659	81,475
Conservation and development	149,592	10,000	-	-	149,592	10,000
Nonspendable premanent fund	162,502	162,502	-	-	162,502	162,502
Unrestricted	45,155,860	41,743,216	15,600,736	15,969,691	60,756,596	57,712,907
Total net position	<u>\$ 278,308,382</u>	<u>\$ 232,349,921</u>	<u>\$ 70,871,137</u>	<u>\$ 66,407,077</u>	<u>\$ 349,179,519</u>	<u>\$ 298,756,998</u>

Net position (the difference between assets and liabilities plus deferred outflows of resources less deferred inflows of resources) may serve over time as a useful indicator of a government's financial position. In the case of the City of Charlottesville, the net position was \$349.2 million at the close of fiscal year 2024. The largest portion of the City's net position reflects its net investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less accumulated depreciation, less any related outstanding debt and adding unspent proceeds from debt used to acquire those assets. The City uses these assets to provide services to its citizens and consequently, these assets are not available for future spending. The resources needed to repay the debt related to these capital assets must be provided from other sources.

Governmental Activities

The net position of the City's governmental activities increased \$46.0 million to \$278.3 million due to a decrease in long-term liabilities and an increase in capital assets.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2024

Business-type Activities

The City's business-type activities net position increased by \$4.37 million due to a decrease in long-term liabilities. Business-type activity resources are not to be used to make up for a net position deficit in the governmental activities. In general, the City can only use the unrestricted net position of business-type activities to finance the continued operations of its enterprise operations, which include the Water, Sewer, Stormwater, Gas and Meadowcreek Golf Course funds.

Statement of Activities

The following table shows the revenues and expenses of the governmental and business-type activities:

City of Charlottesville, Virginia Changes in Net Position For the Years Ended June 30, 2024 and 2023

Table II

	Governmental		Business-type		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
Revenues:							
Program revenues							
Charges for services	\$ 21,929,594	\$ 21,742,526	\$ 62,888,757	\$ 62,326,063	\$ 84,818,351	\$ 84,068,589	0.89%
Operating grants							
an contributions	48,534,336	40,653,468	314,368	19,613	48,848,704	40,673,081	20.10%
Capital grants and							
contributions	140,552	6,865,626	-	-	140,552	6,865,626	-97.95%
General revenues							
Property taxes	117,980,334	110,208,465	-	-	117,980,334	110,208,465	7.05%
Other taxes	52,332,903	52,836,231	-	-	52,332,903	52,836,231	-0.95%
Grants/contributions	42,058,938	37,425,989	-	-	42,058,938	37,425,989	12.38%
Miscellaneous	1,551,902	1,594,719	16,772	402,311	1,568,674	1,997,030	-21.45%
Use of money/property	7,364,667	4,047,623	219,168	193,754	7,583,835	4,241,377	78.81%
Total revenues	<u>291,893,226</u>	<u>275,374,647</u>	<u>63,439,065</u>	<u>62,941,741</u>	<u>355,332,291</u>	<u>338,316,388</u>	5.03%
Expenses:							
General government	43,974,181	29,628,675	-	-	43,974,181	29,628,675	48.42%
Public safety	40,416,952	41,402,137	-	-	40,416,952	41,402,137	-2.38%
Community services	27,853,469	29,215,029	-	-	27,853,469	29,215,029	-4.66%
Health and welfare	34,511,833	35,020,443	-	-	34,511,833	35,020,443	-1.45%
Parks, recreation							
and culture	18,330,724	15,972,266	-	-	18,330,724	15,972,266	14.77%
Education	69,903,190	65,924,088	-	-	69,903,190	65,924,088	6.04%
Conservation and							
development	18,366,910	14,602,408	-	-	18,366,910	14,602,408	25.78%
Interest on long-term debt	2,626,108	2,342,281	-	-	2,626,108	2,342,281	12.12%
Water	-	-	13,567,474	12,552,647	13,567,474	12,552,647	8.08%
Sewer	-	-	13,815,189	12,894,454	13,815,189	12,894,454	7.14%
Gas	-	-	22,090,866	28,831,476	22,090,866	28,831,476	-23.38%
Stormwater	-	-	1,607,910	1,577,874	1,607,910	1,577,874	1.90%
Golf	-	-	1,091,337	1,165,889	1,091,337	1,165,889	-6.39%
Total expenses	<u>255,983,367</u>	<u>234,107,327</u>	<u>52,172,776</u>	<u>57,022,340</u>	<u>308,156,143</u>	<u>291,129,667</u>	5.85%
Change in net position							
before transfers	35,909,859	41,267,320	11,266,289	5,919,401	47,176,148	47,186,721	-0.02%
Transfers	6,832,218	5,999,804	(6,832,218)	(5,999,804)	-	-	-
Change in net position	<u>42,742,077</u>	<u>47,267,124</u>	<u>4,434,071</u>	<u>(80,403)</u>	<u>47,176,148</u>	<u>47,186,721</u>	
Net position - beginning	232,349,921	185,081,797	66,437,077	66,517,480	298,786,998	251,599,277	18.76%
Restatements	3,216,384	-	(11)	-	3,216,373	-	
Net Position - As Restated	<u>235,566,305</u>	<u>185,081,797</u>	<u>66,437,066</u>	<u>66,517,480</u>	<u>302,003,371</u>	<u>251,599,277</u>	
Net position end of year	<u>\$ 278,308,382</u>	<u>\$ 232,348,921</u>	<u>\$ 70,871,137</u>	<u>\$ 66,437,077</u>	<u>\$ 349,179,519</u>	<u>\$ 298,785,998</u>	18.76%

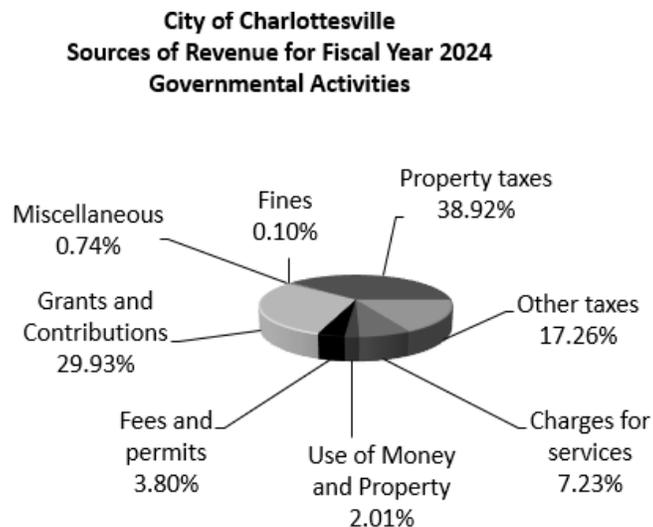
CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis Year Ended June 30, 2024

Governmental Activities

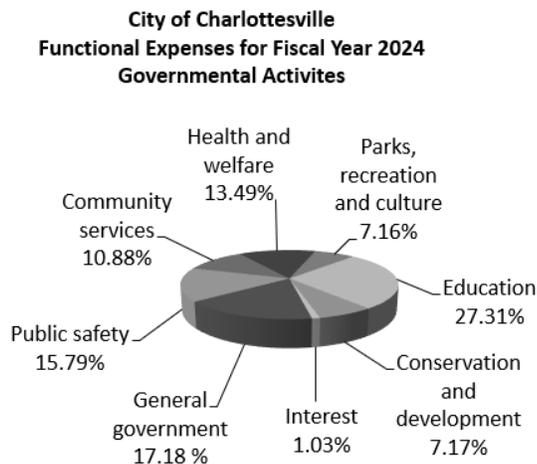
The City’s total revenues from governmental activities were \$278.3 million for the fiscal year ended June 30, 2024. The increase in governmental net position can be attributed to a 6% increase in tax revenue. Approximately 56.18% or \$170.3 million of the City’s revenue from governmental activities comes from property and other taxes (59.01% in 2023).

Revenues by Source – Governmental Activities



The City’s governmental activity expenses were \$256.0 million for the fiscal year ended June 30, 2024. This was an increase of \$21.9 million in 2024. Expenses for fiscal year 2024 cover a wide range of services, with 13.49% or \$34.5 million related to health and welfare, 27.31% or \$70.0 million for education (primarily payments to the City’s Public Schools, a component unit), and 15.59% or \$40.4 million related to public safety.

Expenses by Function – Governmental Activities

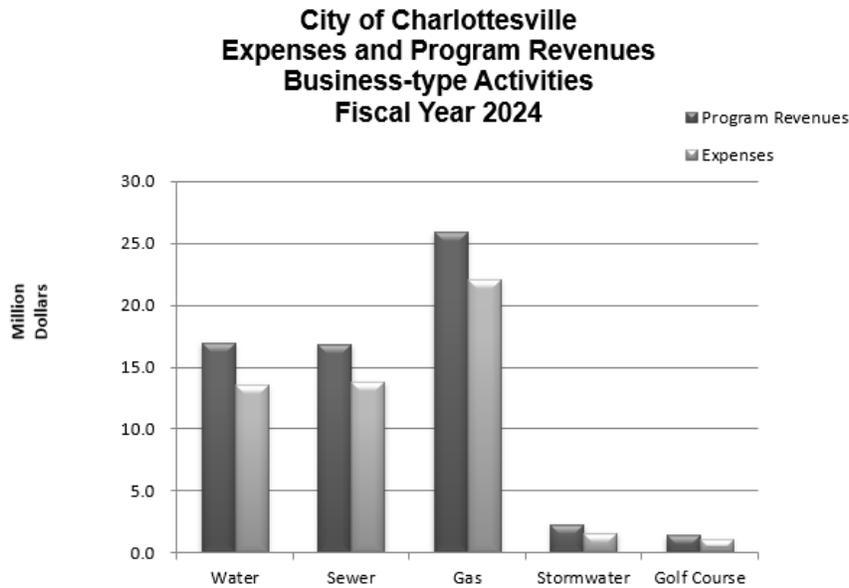


CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis Year Ended June 30, 2024

Business-Type Activities

Net position for the City’s business-type increased by \$4.43 million.



Proprietary Funds

The City of Charlottesville’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Water Fund had an increase in net position of \$2,350,983. The Sewer Fund had an increase in net position of \$1,989,699. The Gas Fund had a decrease in net position of \$923,263. The Stormwater Fund had an increase in net position of \$694,127. The Golf Fund had an increase in net position of \$327,145.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

This section of the MD&A discusses the City’s fund financial statements.

Governmental Funds

The City of Charlottesville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of Charlottesville’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. Unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The City reports fund balance in accordance with generally accepted accounting principles (GAAP), which categorizes fund balance into five classifications based upon constraints placed on the use of resources. Note 2 provides additional information on the fund balance categories.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis Year Ended June 30, 2024

For the fiscal year ended June 30, 2024, the governmental funds reported combined ending fund balances of \$98.4 million, a decrease of \$28.4 million. The General fund increased 2% to \$73.9 million primarily due to an increase in tax revenue resulting from an increase in assessed property value. The capital projects fund saw an 84% decrease in fund balance to 4.8 million due to an increase in capital outlay and an absence of issuing new debt. The Debt Service fund saw a 25% decrease to \$18.7 million due to making scheduled payments and not issuing new debt. Approximately \$35.5 million of the combined total fund balances constitutes committed and assigned fund balance, which generally is available for spending at the government’s discretion.

Nonspendable fund balance is \$162.5 thousand in the Cemetery Permanent Fund. This amount represents assets that are not readily available to the City for current expenditures.

The City also has \$1.6 million in restricted fund balance. Restricted fund balance represents resources that have restrictions placed on them by an outside party. In this case, the City has received contributions and grant funds that must be used for specific purposes but have not yet been spent.

The remaining fund balance as of June 30, 2024, indicated as unassigned, is \$61.1 million in the General Fund. This amount represents 26.1% of General Fund expenditures and transfers (net) and is a measure of the General Fund’s liquidity. Total fund balance of the General Fund increased by \$1.7 million in fiscal year 2024.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund For the Year Ended June 30, 2024

Table III

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Real Estate taxes	\$ 99,403,417	\$ 99,403,417	\$ 102,926,547	\$ 3,523,130
Other taxes	65,357,381	65,357,381	68,775,142	3,417,761
Licenses/permits	10,299,000	10,299,000	11,748,929	1,449,929
Intergovernmental	40,749,142	40,974,334	36,845,917	(4,128,417)
Charges for services	7,684,139	7,839,139	8,670,672	831,533
Other revenues	2,314,729	2,334,684	7,256,536	4,921,851
Total	<u>225,807,808</u>	<u>226,207,955</u>	<u>236,223,743</u>	<u>10,015,787</u>
Expenditures and net transfers				
Expenditures	205,894,973	207,677,621	194,234,528	13,443,090
Transfers (net)	23,328,362	43,598,593	40,405,364	3,193,229
	<u>229,223,335</u>	<u>251,276,214</u>	<u>234,639,892</u>	<u>16,636,319</u>
Change in Fund Balance	<u>\$ (3,415,527)</u>	<u>\$ (25,068,259)</u>	<u>\$ 1,583,851</u>	<u>\$ (6,620,532)</u>

Factors to explain economic performance for FY2025:

The City's budget ordinance includes, as part of the original budget for expenditures, the amount of \$2,611,908 for encumbrances re-appropriated from June 30, 2024, as well as continuing appropriations from the prior year totaling \$1,223,460 for equipment and facilities as well as \$2,340,538 for the Landfill Remediation Reserve. Differences between the original and the final amended budget for the City's General Fund for expenditures, totaled \$22,052,879. This difference is due to supplemental appropriations during the year.

Actual total revenues were higher than the amended budget by \$3,269,220. Significant positive variances between budgeted and actual revenue were in real estate tax, personal property tax, meals tax, and business

CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis Year Ended June 30, 2024

licenses. Some revenues underperformed their budgeted amounts, namely State highway assistance, parking garages, and recreation charges. Expenditures and transfers were below budget by \$23,162,873 resulting from vacant positions and lower expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Charlottesville’s investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$448.0 million (net of depreciation). This investment includes land, municipal and school buildings and improvements, water, sewer and gas distribution systems, machinery and equipment, roads, and bridges.

City of Charlottesville’s Capital Assets (Net of accumulated depreciation)

June 30, 2024 and 2023

Table IV

	Governmental		Business-type		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
Land	\$ 32,341,622	\$ 22,057,286	\$ 2,064,048	\$ 2,064,048	\$ 34,405,670	\$ 24,121,334	42.64%
Assets under construction	71,392,664	45,972,349	-	-	71,392,664	45,972,349	55.29%
Buildings and Improvements	107,698,602	102,703,659	306,671	324,594	108,005,273	103,028,253	4.83%
Vehicles	11,360,473	7,873,159	2,032,287	1,985,857	13,392,760	9,859,016	35.84%
Equipment	3,158,882	3,853,797	247,203	230,141	3,406,085	4,083,938	-16.60%
Streets	44,731,419	47,099,445	-	-	44,731,419	47,099,445	-5.03%
Bridges	33,366,938	25,976,548	-	-	33,366,938	25,976,548	28.45%
Infrastructure	22,356,574	23,373,419	106,633,686	102,708,350	128,990,260	126,081,769	2.31%
Leases	8,008,283	8,875,864	17,246	65,966	8,025,529	8,941,830	-10.25%
Subscription	2,316,424	2,000,503	-	-	2,316,424	2,000,503	15.79%
Total	\$ 336,731,881	\$ 289,786,029	\$ 111,301,141	\$ 107,378,956	\$ 448,033,022	\$ 397,164,985	12.81%

Major capital asset additions during the fiscal year included the following:

- Belmont Bridge Replacement Project
- Circuit Court Renovations
- School Priority Projects

The City’s fiscal year 2024 capital improvement funds provided approximately \$74.4 million for various capital projects. Some of the major categories include \$3.7 million in school related projects, \$10.4 million for street, sidewalk, and bridge projects, \$5.5 million for housing and economic development, and 35.3 million for building improvements. General obligation bonds have been issued for a portion of the funding, in accordance with the City’s on-going, five-year capital plan; however, no new bonds were issued during the fiscal year.

Additional information about the City of Charlottesville’s capital assets can be found in note 8 of the notes to the financial statements.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis Year Ended June 30, 2024

Long-term Liabilities

At the end of the current fiscal year, the City of Charlottesville had total bonded debt (including unamortized premiums and notes payable) outstanding of \$151.3 million. This entire amount is backed by the full faith and credit of the City and \$51.8 million is being repaid by the City’s utilities.

City of Charlottesville’s Outstanding Debt General Obligation Bonds June 30, 2024 and 2023

Table V

	Governmental		Business-type		Total		Percent Change
	2024	2023	2024	2023	2024	2023	
General obligation bonds	\$99,530,872	\$109,395,879	\$51,808,834	\$56,608,404	\$151,339,706	\$166,004,283	-8.83%

Charlottesville’s total debt decreased by \$14,664,577 during the fiscal year. On its most recent bond issue in June 2023, the City’s bond rating was reaffirmed by S & P Global Ratings and Moody’s Investors Service, as AAA and Aaa, respectively.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation of real property. The current debt limitation for the City of Charlottesville is \$917 million. This is significantly more than the City’s current total outstanding debt.

Additional information on the City of Charlottesville’s long-term liabilities can be found in note 9 of the notes to the financial statements.

ECONOMIC FACTORS EFFECTNG NEXT YEAR’S BUDGET AND RATES

As noted above, many of the City’s locally derived taxes performed better than expected. In addition, several of the City’s economic indicators show positive improvement:

- The City’s unemployment rate increased from 2.4% in July 2023 to 2.6% in July 2024. However, this rate is lower than the national unemployment rate of 4.3%, and the state’s rate of 3.0%.
- City labor force increased 0.03% from 26,312 in July 2023 to 27,116 in July 2024 based on current Virginia Employment Commission statistics.
- The City has an estimated population of 51,132 according to the Weldon Cooper Center for Public Service.

The budget for 2025 was developed building upon the strong performance of the City economy and the City’s operations and facilities being fully open. Amounts available for appropriation in the General Fund budget for 2025 are \$251.9 million, an increase of 10.3% over the 2024 budget of \$228.4 million.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to demonstrate the City’s accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Charlottesville, 605 East Main Street, Charlottesville, Virginia 22902.

STATEMENT OF NET POSITION

JUNE 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development Authority	School Board
ASSETS					
Cash, cash equivalents and investments (note 3)	\$ 117,378,401	\$ 19,942,689	\$ 137,321,090	\$ 2,695,803	\$ 33,953,467
Interest receivable	556,735	-	556,735	-	-
Accounts receivable, net	12,148,021	6,630,299	18,778,320	-	687,307
Taxes receivable, net	61,352,599	-	61,352,599	-	-
Leases receivable	734,326	-	734,326	3,432,958	-
Loans receivable (note 5)	3,424,987	-	3,424,987	647,991	-
Due from other governments (note 6)	18,614,364	-	18,614,364	-	9,649,408
Inventories	378,337	838,813	1,217,150	-	5,513
Prepaid expenses	879,231	2,293,681	3,172,912	12	-
Net Pension Asset	-	-	-	-	1,964,243
Restricted cash and investments (note 3)	1,235,212	76,248	1,311,460	-	-
Capital assets (note 8):					
Capital assets not being depreciated	103,734,286	2,064,048	105,798,334	-	982,889
Capital assets being depreciated	232,997,595	109,237,093	342,234,688	-	16,838,133
Total assets	<u>553,434,094</u>	<u>141,082,871</u>	<u>694,516,965</u>	<u>6,776,764</u>	<u>64,080,960</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding resulting in loss transactions	200,242	29,454	229,696	-	-
Deferred charges - pension (notes 11 and 15)	45,799,356	4,726,094	50,525,450	-	14,119,243
Deferred charges - OPEB (notes 13 and 16)	11,318,002	1,093,006	12,411,008	-	1,830,357
Total deferred outflows of resources	<u>57,317,600</u>	<u>5,848,554</u>	<u>63,166,154</u>	<u>-</u>	<u>15,949,600</u>
Total Assets And Deferred Outflows of Resources	<u>\$ 610,751,694</u>	<u>\$ 146,931,425</u>	<u>\$ 757,683,119</u>	<u>\$ 6,776,764</u>	<u>\$ 80,030,560</u>

Continued

STATEMENT OF NET POSITION

JUNE 30, 2024

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development Authority	School Board
LIABILITIES					
Accounts payable	9,293,792	2,530,066	11,823,858	-	7,725,417
Accrued liabilities	20,194,229	2,570,172	22,764,401	99,229	5,981,278
Customer deposits	15,291	924,152	939,443	-	-
Due to other governments	934,124	-	934,124	-	2,666,745
Unearned revenue	8,244,281	63,676	8,307,957	-	14,208
Accrued interest payable	821,235	522,241	1,343,476	136,884	-
Long-term liabilities (note 9):					
Due within one year:	12,830,367	4,653,780	17,484,147	130,000	348,606
Lease liabilities due within one year	1,038,935	11,600	1,050,535	-	-
Subscription liabilities due within one year	887,154	-	887,154	-	-
Due in more than one year:	100,217,551	51,662,589	151,880,140	-	2,556,441
Lease liabilities due in more than one year	7,051,879	4,553	7,056,432	-	-
Subscription liabilities due in more than one year	1,493,239	-	1,493,239	-	-
Net pension liability (notes 9,11 and 15)	77,371,846	8,663,771	86,035,617	-	44,630,384
Net OPEB liability (notes 9, 13 and 15)	4,928,730	930,654	5,859,384	-	10,133,013
Total liabilities	<u>245,322,653</u>	<u>72,537,254</u>	<u>317,859,907</u>	<u>366,113</u>	<u>74,056,092</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenue	59,366,406	-	59,366,406	-	-
Deferred charges on refunding resulting in gain transactions	170,856	318,005	488,861	-	-
Deferred charges - pension (notes 11 and 15)	11,278,398	1,461,946	12,740,344	-	8,237,794
Deferred charges - OPEB (notes 13 and 16)	15,576,982	1,743,083	17,320,065	-	2,571,964
Deferred inflows-leases	728,017	-	728,017	2,328,692	-
Total deferred inflows of resources	<u>87,120,659</u>	<u>3,523,034</u>	<u>90,643,693</u>	<u>2,328,692</u>	<u>10,809,758</u>
NET POSITION					
Net Investment in capital assets	231,154,494	55,270,401	286,424,895	404,183	17,821,022
Restricted for:					
General government	293,592	-	293,592	-	15,402,963
Public safety	713,180	-	713,180	-	-
Health and welfare	513,503	-	513,503	-	1,964,243
Parks, recreation and culture	165,659	-	165,659	-	-
Conservation and development	149,592	-	149,592	-	-
Permanent fund, nonexpendable	162,502	-	162,502	-	-
Unrestricted	45,155,860	15,600,736	60,756,596	3,677,776	(40,023,518)
Total net position	<u>278,308,382</u>	<u>70,871,137</u>	<u>349,179,519</u>	<u>4,081,959</u>	<u>(4,835,290)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 610,751,694</u>	<u>\$ 146,931,425</u>	<u>\$ 757,683,119</u>	<u>\$ 6,776,764</u>	<u>\$ 80,030,560</u>

The accompanying notes are an integral part of the basic financial statements.

CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

EXHIBIT B

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 43,974,181	\$ 12,232,227	\$ 4,925,027	\$ -
Public safety	40,416,952	434,722	6,187,590	-
Community services	27,853,469	609,062	14,816,041	-
Health and welfare	34,511,833	3,194,648	1,413,928	-
Parks, recreation and culture	18,330,724	1,083,549	398,131	-
Education	69,903,190	139,260	14,611,088	140,552
Conservation and development	18,366,910	4,236,126	6,182,531	-
Interest on long term debt	2,626,108	-	-	-
Total governmental activities	<u>255,983,367</u>	<u>21,929,594</u>	<u>48,534,336</u>	<u>140,552</u>
Business-type activities:				
Water	13,567,474	16,913,147	-	-
Sewer	13,815,189	16,802,775	8,117	-
Gas	22,090,866	25,813,332	22,101	-
Stormwater	1,607,910	1,953,791	271,369	-
Golf	1,091,337	1,405,712	12,781	-
Total business-type activities	<u>52,172,776</u>	<u>62,888,757</u>	<u>314,368</u>	<u>-</u>
Total Primary Government	<u>\$ 308,156,143</u>	<u>\$ 84,818,351</u>	<u>\$ 48,848,704</u>	<u>\$ 140,552</u>
COMPONENT UNITS				
Economic Development Authority	\$ 615,876	\$ 393,079	\$ -	\$ -
School Board	110,817,403	2,791,840	30,573,025	-
Total Component Units	<u>\$ 111,433,279</u>	<u>\$ 3,184,919</u>	<u>\$ 30,573,025</u>	<u>\$ -</u>

Continued

**CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

EXHIBIT B - Concluded

Net (Expense) Revenue and Changes in Net Position

Functions/Programs				Component Units	
	Governmental Activities	Business Type Activities	Total Primary Government	Economic Development Authority	School Board
PRIMARY GOVERNMENT					
Governmental activities:					
General government	\$ (26,816,927)	\$ -	\$ (26,816,927)		
Public safety	(33,794,640)	-	(33,794,640)		
Community services	(12,428,366)	-	(12,428,366)		
Health and welfare	(29,903,257)	-	(29,903,257)		
Parks, recreation and culture	(16,849,044)	-	(16,849,044)		
Education	(55,012,290)	-	(55,012,290)		
Conservation and development	(7,948,253)	-	(7,948,253)		
Interest on long term debt	(2,626,108)	-	(2,626,108)		
Total governmental activities	<u>(185,378,885)</u>	<u>-</u>	<u>(185,378,885)</u>		
Business-type activities:					
Water	-	3,345,673	3,345,673		
Sewer	-	2,995,703	2,995,703		
Gas	-	3,744,567	3,744,567		
Stormwater	-	617,250	617,250		
Golf	-	327,156	327,156		
Total business-type activities	<u>-</u>	<u>11,030,349</u>	<u>11,030,349</u>		
Total Primary Government	<u>(185,378,885)</u>	<u>11,030,349</u>	<u>(174,348,536)</u>		
COMPONENT UNITS					
Economic Development Authority				\$ (222,797)	\$ -
School Board				-	(77,452,538)
Total Component Units				<u>(222,797)</u>	<u>(77,452,538)</u>
GENERAL REVENUES					
General property taxes	117,980,334	-	117,980,334	-	-
Sales tax	15,173,277	-	15,173,277	-	-
Utility tax	4,684,886	-	4,684,886	-	-
Meals tax	19,477,422	-	19,477,422	-	-
Lodging tax	8,057,630	-	8,057,630	-	-
Public service corporation tax	1,692,539	-	1,692,539	-	-
Franchise tax	199,941	-	199,941	-	-
Wills and deeds tax	616,583	-	616,583	-	-
Rolling stock tax	15,620	-	15,620	-	-
Short-term rental tax	56,485	-	56,485	-	-
Cigarette tax	503,830	-	503,830	-	-
State recordation tax	919	-	919	-	-
Bank stock tax	971,498	-	971,498	-	-
Plastic bag Tax	89,393	-	89,393	-	-
Business license tax	792,880	-	792,880	-	-
Grants & contributions not restricted to specific programs	42,058,938	-	42,058,938	-	-
State Aid-formula grants	-	-	-	-	24,940,099
Payment from city	-	-	-	-	62,324,037
Unrestricted revenue from use of money and property	1,012,418	10,861	1,023,279	5,600	-
Interest on investment earnings	6,104,226	208,307	6,312,533	107,370	-
Leases	248,023	-	248,023	266,136	-
Miscellaneous	1,551,902	16,772	1,568,674	-	-
Transfers, net	6,832,218	(6,832,218)	-	-	-
Total general revenues and transfers	<u>228,120,962</u>	<u>(6,596,278)</u>	<u>221,524,684</u>	<u>379,106</u>	<u>87,264,136</u>
Change in net position	42,742,077	4,434,071	47,176,148	156,309	9,811,598
Net Position - July 1, 2023	232,349,921	66,437,077	298,786,998	3,925,650	(14,646,888)
Restatements and Adjustments	3,216,384	(11)	3,216,373	-	-
Net Position - July 1, 2023 Restated	<u>235,566,305</u>	<u>66,437,066</u>	<u>302,003,371</u>	<u>3,925,650</u>	<u>(14,646,888)</u>
Net Position - June 30, 2024	<u>\$ 278,308,382</u>	<u>\$ 70,871,137</u>	<u>\$ 349,179,519</u>	<u>\$ 4,081,959</u>	<u>\$ (4,835,290)</u>

The accompanying notes are an integral part of the basic financial statements.

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>General Fund</u>	<u>American Relief Program Act Fund</u>	<u>Social Services Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS							
Cash, cash equivalents and investments	\$ 61,676,945	\$ 7,842,399	\$ 76,238	\$ 8,224,865	\$ 18,659,996	\$ 817,431	\$ 97,297,874
Interest receivable	556,735	-	-	-	-	-	556,735
Accounts receivable, net	713,616	-	11,020	3,998	-	487,965	1,216,599
Taxes receivable, net	61,352,599	-	-	-	-	-	61,352,599
Leases receivable	734,326	-	-	-	-	-	734,326
Due from other governments (note 6)	1,816,506	-	668,114	4,930,622	-	11,199,122	18,614,364
Due from other funds (note 7)	10,931,423	-	-	-	-	-	10,931,423
Loans receivable (note 5)	-	-	-	2,530,000	-	894,987	3,424,987
Prepaid items	31,383	-	-	748,401	-	-	779,784
Inventory	-	-	-	-	-	253,094	253,094
Total assets	<u>\$ 137,813,533</u>	<u>\$ 7,842,399</u>	<u>\$ 755,372</u>	<u>\$ 16,437,886</u>	<u>\$ 18,659,996</u>	<u>\$ 13,652,599</u>	<u>\$ 195,161,785</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 790,238	\$ 13,321	\$ 67,750	\$ 7,777,213	\$ 625	\$ 615,225	\$ 9,264,372
Accrued liabilities	2,842,880	4,166	229,696	3,256,972	3,750	2,230,635	8,568,099
Deposits	-	-	-	633,294	-	-	633,294
Due to other governments	-	-	-	-	-	934,124	934,124
Due to other funds (note 7)	-	-	457,926	-	-	7,611,585	8,069,511
Unearned revenue-other	-	7,824,912	-	-	-	419,697	8,244,609
Total liabilities	<u>3,633,118</u>	<u>7,842,399</u>	<u>755,372</u>	<u>11,667,479</u>	<u>4,375</u>	<u>11,811,266</u>	<u>35,714,009</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable tax revenue	59,579,943	-	-	-	-	-	59,579,943
Unavailable lease revenue	728,017	-	-	-	-	-	728,017
Unavailable opioid remediation revenue	-	-	-	-	-	734,186	734,186
Total deferred inflows of resources	<u>60,307,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>734,186</u>	<u>61,042,146</u>
FUND BALANCES (Note 2b):							
Nonspendable	31,383	-	-	-	-	162,502	193,885
Restricted	665,613	-	-	-	-	944,645	1,610,258
Committed	9,428,289	-	-	-	18,655,621	-	28,083,910
Assigned	2,611,908	-	-	4,770,407	-	-	7,382,315
Unassigned	61,135,262	-	-	-	-	-	61,135,262
Total fund balances	<u>73,872,455</u>	<u>-</u>	<u>-</u>	<u>4,770,407</u>	<u>18,655,621</u>	<u>1,107,147</u>	<u>98,405,630</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 137,813,533</u>	<u>\$ 7,842,399</u>	<u>\$ 755,372</u>	<u>\$ 16,437,886</u>	<u>\$ 18,659,996</u>	<u>\$ 13,652,599</u>	<u>\$ 195,161,785</u>

Continued

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Total fund balances per the Balance Sheet for Governmental Funds	\$ 98,405,630
Amounts reported in the Statement of Net Position (Exhibit A) are different because:	
Capital assets are not financial resources and therefore are not reported in the funds statements. The Statement of Net Position, however, includes these assets, net of accumulated depreciation:	336,731,881
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the governmental funds and are not included in fund balance:	
Deferred Inflows-Pensions	(11,278,398)
Deferred Inflows-OPEB	(15,576,982)
Deferred Outflows-Pensions	45,799,356
Deferred Outflows-OPEB	11,318,002
Internal service funds area used by management to charge the cost of certain activities such as insurances and telecommunication to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the Statement of Net Position:	
Internal Services	15,668,399
Some of the city's property taxes will be collected after year-end, but are not available soon enough to pay for the current year's expenditures, and the City's opioid settlement funds are currently unavailable and therefore both are unavailable in the funds:	
Deferred taxes	213,536
Deferred opioid settlement funds	734,186
Some liabilities, including general bonds payable, are not due as payable in the current period and therefore are not reported as fund liabilities. All liabilities are included in the Statement of Net Position:	
Bonds payable	(99,530,872)
Accrued interest payable	(821,235)
Unamortized premiums on bonds	(7,310,689)
Net deferred amount on refunding	29,386
Net pension liability	(77,371,846)
Net OPEB liability	(4,928,730)
Compensated absences	(3,302,032)
Lease Liability	(8,090,817)
Subscription-Based IT Arrangements Liability	(2,380,393)
Net position per the Statement of Net Position (Exhibit A)	<u>\$ 278,308,382</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

EXHIBIT D

	General Fund	American Relief Program Act Fund	Social Services Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Taxes	\$ 171,701,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,701,688
Fees and permits	11,748,929	-	-	41,328	-	-	11,790,257
Intergovernmental	30,099,350	6,191,935	10,615,385	19,886,326	-	20,750,907	87,543,903
Charges for services	8,670,671	-	26	-	-	3,200,323	11,871,020
Fines	305,805	-	-	-	-	-	305,805
Leases	248,023	-	-	-	-	-	248,023
Investment earnings	5,246,457	-	-	-	834,691	23,078	6,104,226
Miscellaneous	1,456,252	-	8,563	297,783	-	212,400	1,974,998
Total revenues	229,477,175	6,191,935	10,623,974	20,225,437	834,691	24,186,708	291,539,920
Current:							
General government	30,250,627	572,162	-	11,403,737	27,920	1,143,296	43,397,742
Public safety	43,929,697	77,880	-	490,469	-	1,312,711	45,810,757
Community services	11,307,358	-	-	2,448,034	-	12,041,675	25,797,067
Health and welfare	8,097,608	93,020	14,665,472	-	-	13,215,270	36,071,370
Parks, recreation and culture	14,204,984	87,068	-	1,839,769	-	38,263	16,170,084
Education	65,701,348	-	-	3,677,402	-	-	69,378,750
Conservation and development	7,878,345	592,866	-	1,866,806	-	1,462,636	11,800,653
Debt service:							
Retirement of principal	1,736,563	144,018	5,688	-	9,876,722	12,742	11,775,733
Interest	237,282	24,298	294	-	4,064,062	2,425	4,328,361
Capital outlay	1,972,180	4,600,623	-	52,667,880	-	4,370,662	63,611,345
Total expenditures	185,315,992	6,191,935	14,671,454	74,394,097	13,968,704	33,599,680	328,141,862
Revenues over (under) expenditures	44,161,183	-	(4,047,480)	(54,168,660)	(13,134,013)	(9,412,972)	(36,601,942)
Transfers in (note 7)	6,832,218	-	4,047,480	28,863,743	13,559,019	6,175,178	59,477,638
Transfers out (note 7)	(49,409,550)	-	-	(25,654)	(5,060,057)	-	(54,495,261)
Total other financial sources (uses)	(42,577,332)	-	4,047,480	28,838,089	8,498,962	6,175,178	4,982,377
Net change in fund balance	1,583,851	-	-	(25,330,571)	(4,635,051)	(3,237,794)	(31,619,565)
Fund Balance July 1, 2023	72,147,911	-	-	30,100,978	23,290,672	1,216,908	126,756,469
Restatements and Adjustments	140,693	-	-	-	-	3,128,033	3,268,726
Fund Balance July 1, 2023 Restated	72,288,604	-	-	30,100,978	23,290,672	4,344,941	130,025,195
Fund Balance June 30, 2024	\$ 73,872,455	\$ -	\$ -	\$ 4,770,407	\$ 18,655,621	\$ 1,107,147	\$ 98,405,630

Continued

**CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

EXHIBIT D - Concluded

Net change in fund balances - total governmental funds (Exhibit D) \$ (31,619,565)

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Governmental funds report the cost of equipment and facilities required as current expenditures while the Statement of Activities reports depreciation expense to allocate those expenses over the life of the assets:

Capital outlay	63,604,924
Depreciation expense	(14,520,200)

The net effect of various miscellaneous transactions involving capital assets is to decrease net position

Net gain (loss) on disposal of assets	(3,639,006)
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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. Details of this item consist of the following:

Change in deferred property taxes	(93,397)
Change in Opioid Settlement funding	306,155

Debt proceeds provide current financing resources to governmental funds but debt issues increase long-term liabilities in the Statement of Net Position. Principal and refunding payments are expenditures in governmental funds but reduce long-term liabilities in the Statement of Net Position. Payments to reduce Lease and Subscription liabilities are only included in the Statement of Net Position:

Principal payments	9,866,279
Payments to reduce lease liability	1,030,319
Payments to reduce subscription liability	905,246

Governmental funds report interest on long-term debt as expenditures when payments are due, while the Statement of Activities reports interest expense on the accrual basis:

Change in accrued interest	126,585
Change in amortization of bond premium	1,281,484
Interest earned on bond refunding	28,493

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Change in compensated absences	(218,388)
Change in net pension liability	3,617,616
Net change in deferred outflows and deferred inflows of resources related to net pension liability	6,310,805
Change in net OPEB liability	13,311,006
Net change in deferred outflows and deferred inflows of resources related to net OPEB liability	(5,214,329)

The change in net position of internal service funds, less amounts reflected in long term assets and liabilities, and deferred outflows of resources, and deferred inflows of resources, is combined with governmental activities on the Statement of Activities. (2,341,950)

Change in net position per the Statement of Activities (Exhibit B)	\$ 42,742,077
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The accompanying notes are an integral part of the basic financial statements.

CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

EXHIBIT E-1

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 1,131,414	\$ 4,158,629	\$ 6,682,870	\$ 6,909,650	\$ 1,060,126	\$ 19,942,689	\$ 21,315,740
Accounts receivable, net	1,027,273	735,605	485,439	354,917	127,492	2,730,726	23,788
Unbilled accounts receivable	1,512,465	1,465,648	897,672	-	-	3,875,785	-
Inventories	-	-	-	-	15,687	15,687	948,370
Prepaid expenses	-	-	2,120,486	-	34,633	2,155,119	93,128
Restricted cash and investments	76,248	-	-	-	-	76,248	-
Total current assets	<u>3,747,400</u>	<u>6,359,882</u>	<u>10,186,467</u>	<u>7,264,567</u>	<u>1,237,938</u>	<u>28,796,254</u>	<u>22,381,026</u>
Noncurrent assets:							
Land	-	-	584,291	-	1,337,432	1,921,723	-
Easements	12,625	95,600	34,100	-	-	142,325	-
Buildings and improvements	18,919	39,014	-	-	1,828,030	1,885,963	48,364
Vehicles	769,020	1,381,113	2,827,494	541,608	94,436	5,613,671	25,200
Transmission lines and mains	64,412,476	55,360,622	44,670,006	1,016,826	-	165,459,930	-
Storm drainage	-	-	-	12,878,010	-	12,878,010	-
Equipment	442,359	408,505	1,839,347	19,374	312,779	3,022,364	10,318,474
Lease Equipment	359	359	3,722	-	12,808	17,248	5,055
SBITA assets	-	-	-	-	-	-	2,449
Accumulated depreciation	(21,820,094)	(16,593,627)	(37,205,236)	(2,213,772)	(1,807,364)	(79,640,093)	(10,139,429)
Total noncurrent assets	<u>43,835,664</u>	<u>40,691,586</u>	<u>12,753,724</u>	<u>12,242,046</u>	<u>1,778,121</u>	<u>111,301,141</u>	<u>260,113</u>
Total assets	<u>47,583,064</u>	<u>47,051,468</u>	<u>22,940,191</u>	<u>19,506,613</u>	<u>3,016,059</u>	<u>140,097,395</u>	<u>22,641,139</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charges on refunding losses	5,719	23,735	-	-	-	29,454	-
Deferred charges-pension	788,586	680,363	2,745,467	337,328	118,063	4,669,807	1,030,256
Deferred charges-OPEB	193,639	159,202	620,186	85,084	21,111	1,079,222	193,462
Total deferred outflows of resources	<u>987,944</u>	<u>863,300</u>	<u>3,365,653</u>	<u>422,412</u>	<u>139,174</u>	<u>5,778,483</u>	<u>1,223,718</u>
LIABILITIES							
Current liabilities:							
Accounts payable	1,245,555	882,745	218,945	113,481	26,760	2,487,486	205,591
Accrued liabilities	175,605	802,834	1,042,548	121,089	231,156	2,373,232	3,107,729
Accrued interest payable	231,455	215,038	-	75,747	-	522,240	-
Customer deposits	242,396	-	681,757	-	-	924,153	-
Due to other funds	-	-	-	-	-	-	2,861,912
Liabilities due in less than one year	2,065,186	2,020,111	29,850	538,022	-	4,653,169	10,158
Total current liabilities	<u>3,960,197</u>	<u>3,920,728</u>	<u>1,973,100</u>	<u>848,339</u>	<u>257,916</u>	<u>10,960,280</u>	<u>6,185,390</u>
Noncurrent liabilities:							
Liabilities due in more than one year	24,011,653	19,213,796	222,615	8,075,915	11,719	51,535,698	78,853
Net pension liability	1,463,210	1,135,045	5,347,161	122,456	465,276	8,533,148	2,811,728
Net OPEB liability	193,995	96,458	597,142	(88,582)	122,652	921,665	1,020,624
Total noncurrent liabilities	<u>25,668,858</u>	<u>20,445,299</u>	<u>6,166,918</u>	<u>8,109,789</u>	<u>599,647</u>	<u>60,990,511</u>	<u>3,911,205</u>
Total liabilities	<u>29,629,055</u>	<u>24,366,027</u>	<u>8,140,018</u>	<u>8,958,128</u>	<u>857,563</u>	<u>71,950,791</u>	<u>10,096,595</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred charges on refunding gains	110,520	207,485	-	-	-	318,005	-
Deferred charges-pension	189,803	250,297	905,921	67,855	21,639	1,435,515	309,080
Deferred charges-OPEB	260,318	286,656	1,051,473	83,681	26,631	1,708,759	310,206
Total deferred inflows of resources	<u>560,641</u>	<u>744,438</u>	<u>1,957,394</u>	<u>151,536</u>	<u>48,270</u>	<u>3,462,279</u>	<u>619,286</u>
NET POSITION							
Net investment in capital assets	17,769,491	19,315,772	12,753,724	3,653,292	1,778,121	55,270,400	255,757
Unrestricted	611,822	3,488,530	3,454,708	7,166,067	471,281	15,192,408	12,893,219
Total net position	<u>\$ 18,381,313</u>	<u>\$ 22,804,302</u>	<u>\$ 16,208,432</u>	<u>\$ 10,819,359</u>	<u>\$ 2,249,402</u>	<u>\$ 70,462,808</u>	<u>\$ 13,148,976</u>
						Total net position	\$ 70,462,808
Allocated internal services:							
						Warehouse assets	985,476
						Warehouse deferred outflows	70,071
						Warehouse liabilities	(586,463)
						Warehouse deferred inflows	(60,755)
						Total allocation of warehouse net position	408,329
						Net position of business-type activities	<u>\$ 70,871,137</u>

The accompanying notes are an integral part of the basic financial statements.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024**

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
OPERATING REVENUES							
Utility charges	\$ 16,486,261	\$ 18,411,251	\$ 25,567,125	\$ 1,914,262	\$ -	\$ 62,378,899	\$ -
Charges for services	219,487	69,860	240,487	310,898	1,418,492	2,259,224	26,327,009
Total operating revenues	<u>16,705,748</u>	<u>18,481,111</u>	<u>25,807,612</u>	<u>2,225,160</u>	<u>1,418,492</u>	<u>64,638,123</u>	<u>26,327,009</u>
OPERATING EXPENSES							
Purchases for resale	8,565,234	9,587,827	11,061,446	-	41,483	29,255,990	1,570,457
Personnel costs	1,100,934	933,159	5,256,983	692,381	156,802	8,140,259	1,647,061
Materials and supplies	446,342	118,653	908,970	60,477	75,098	1,609,540	341,747
Contractual services and charges	1,159,326	3,304,628	3,606,021	194,662	728,357	8,992,994	2,677,570
Depreciation	1,709,571	1,429,427	1,193,321	456,687	89,598	4,878,604	184,320
Claims incurred	-	-	-	-	-	-	21,201,474
Insurance premiums	-	-	-	-	-	-	3,493,947
Total operating expenses	<u>12,981,407</u>	<u>15,373,694</u>	<u>22,026,741</u>	<u>1,404,207</u>	<u>1,091,338</u>	<u>52,877,387</u>	<u>31,116,576</u>
Operating income (loss)	<u>3,724,341</u>	<u>3,107,417</u>	<u>3,780,871</u>	<u>820,953</u>	<u>327,154</u>	<u>11,760,736</u>	<u>(4,789,567)</u>
NONOPERATING REVENUES (EXPENSES)							
Interest expense	(553,601)	(414,244)	(5,757)	(203,178)	-	(1,176,780)	-
Interest income	24,935	45,843	61,176	76,353	-	208,307	277,827
Capacity fees	175,650	303,007	-	-	-	478,657	-
Insurance recovery	-	-	-	-	-	-	294,683
Total nonoperating revenues (expenses), net	<u>(353,016)</u>	<u>(65,394)</u>	<u>55,419</u>	<u>(126,825)</u>	<u>-</u>	<u>(489,816)</u>	<u>572,510</u>
Income (loss) before contributions and transfers	<u>3,371,325</u>	<u>3,042,023</u>	<u>3,836,290</u>	<u>694,128</u>	<u>327,154</u>	<u>11,270,920</u>	<u>(4,217,057)</u>
Transfers in	-	-	-	679,381	-	679,381	1,849,841
Transfers out	(1,020,342)	(1,052,324)	(4,759,552)	(679,381)	-	(7,511,599)	-
Total transfers, net	<u>(1,020,342)</u>	<u>(1,052,324)</u>	<u>(4,759,552)</u>	<u>-</u>	<u>-</u>	<u>(6,832,218)</u>	<u>1,849,841</u>
Change in net position	<u>2,350,983</u>	<u>1,989,699</u>	<u>(923,262)</u>	<u>694,128</u>	<u>327,154</u>	<u>4,438,702</u>	<u>(2,367,216)</u>
Total net position - July 1, 2023	<u>16,030,330</u>	<u>20,814,603</u>	<u>17,131,695</u>	<u>10,125,232</u>	<u>1,922,257</u>	<u>66,024,117</u>	<u>15,515,282</u>
Restatements and Adjustments	-	-	-	-	(11)	(11)	910
Total net position - July 1, 2023 as Restated	<u>16,030,330</u>	<u>20,814,603</u>	<u>17,131,695</u>	<u>10,125,232</u>	<u>1,922,246</u>	<u>66,024,106</u>	<u>15,516,192</u>
Total net position - June 30, 2024	<u>\$ 18,381,313</u>	<u>\$ 22,804,302</u>	<u>\$ 16,208,433</u>	<u>\$ 10,819,360</u>	<u>\$ 2,249,400</u>	<u>\$ 70,462,808</u>	<u>\$ 13,148,976</u>
						Total business-type change in net position	\$ 4,438,702
						Warehouse sales operating revenues	965,203
						Expenses associated with warehouse sales	(969,834)
						Net internal service fund allocation	<u>(4,631)</u>
						Change in net position of business-type activities	<u>\$ 4,434,071</u>

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2024**

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
OPERATING ACTIVITIES							
Receipts from customers	\$ 16,294,317	\$ 16,141,720	\$ 25,935,982	\$ 1,976,207	\$ 1,311,406	\$ 61,659,632	\$ 26,432,619
Payments to suppliers	(10,278,272)	(10,800,049)	(14,670,861)	(128,780)	(727,383)	(36,605,345)	(28,913,496)
Payments to employees	(1,399,356)	(1,246,257)	(6,162,821)	(761,931)	(186,939)	(9,757,304)	(1,826,202)
Net cash provided by (used for) operating activities	4,616,689	4,095,414	5,102,300	1,085,496	397,084	15,296,983	(4,307,079)
NONCAPITAL FINANCING ACTIVITIES							
Insurance recovery	-	-	-	-	-	-	294,683
Transfers in	1,800,000	3,000,000	-	679,381	-	5,479,381	1,849,841
Transfers out	(2,820,342)	(4,052,324)	(4,759,552)	(679,381)	-	(12,311,599)	-
Net cash provided by (used for) noncapital financing activities	(1,020,342)	(1,052,324)	(4,759,552)	-	-	(6,832,218)	2,144,524
CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(3,366,400)	(2,437,829)	(737,024)	(2,017,344)	(160,755)	(8,719,352)	4,900
Capacity fees	175,650	303,007	-	-	-	478,657	-
Bond principal paid	(2,087,439)	(2,176,861)	-	(535,000)	-	(4,799,300)	-
Interest paid	(949,960)	(714,326)	(5,757)	(319,381)	-	(1,989,424)	-
Net cash provided by (used for) capital and related financing	(6,228,149)	(5,026,009)	(742,781)	(2,871,725)	(160,755)	(15,029,419)	4,900
INVESTING ACTIVITIES							
Interest on investments	24,935	45,843	61,176	76,353	-	208,307	277,827
Net cash provided by investment activities	24,935	45,843	61,176	76,353	-	208,307	277,827
Net increase (decrease) in cash and cash equivalents	(2,606,867)	(1,937,076)	(338,857)	(1,709,876)	236,329	(6,356,347)	(1,879,828)
Balances - July 1, 2023	3,814,530	6,142,524	7,053,092	8,619,527	823,795	26,453,468	23,200,469
Balances - June 30, 2024	\$ 1,207,662	\$ 4,158,629	\$ 6,682,870	\$ 6,909,650	\$ 1,060,125	\$ 20,018,936	\$ 21,315,740
Reconciliation of operating income (loss) to net cash used in operating activities							
Operating Income (Loss)	\$ 3,724,341	\$ 3,107,417	\$ 3,780,871	\$ 820,953	\$ 327,154	\$ 11,760,736	\$ (4,789,565)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	1,709,571	1,429,427	1,193,321	456,687	89,598	4,878,604	184,320
(Increase) decrease in accounts receivable	(415,238)	(366,165)	123,772	(248,953)	(127,492)	(1,034,076)	101,409
(Increase) decrease in inventories	-	-	-	-	13,371	13,371	175,033
(Increase) decrease in prepaid expenses	-	-	1,046,332	-	(34,633)	1,011,699	-
Increase (decrease) in accounts payable	(75,620)	237,834	(85,301)	158,360	138,817	374,090	(13,946)
Increase (decrease) in accrued liabilities	4,236	(276)	22,537	8,883	(7,397)	27,983	15,017
Increase (decrease) in customer deposits	(27,942)	-	(50,856)	-	-	(78,798)	-
Increase (decrease) in unredeemed gift certificates	-	-	-	-	20,406	20,406	-
Increase (decrease) in compensated absences	(9,898)	495	14,156	2,481	(9,387)	(2,153)	(4,469)
Increase (decrease) in insurance claims payable	-	-	-	-	-	-	318,969
Net pension liability change for measurement year	(169,385)	(196,288)	(466,010)	(49,183)	4,192	(876,674)	(169,472)
Net OPEB liability change for measurement year	(123,376)	(117,030)	(476,522)	(63,732)	(17,545)	(798,205)	(124,375)
Net cash provided by (used for) operating activities	\$ 4,616,689	\$ 4,095,414	\$ 5,102,300	\$ 1,085,496	\$ 397,084	\$ 15,296,983	\$ (4,307,079)

The accompanying notes are an integral part of the basic financial statements.

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents (note 3b)	13,672,313
Interest receivable	\$ 458,701
Investments (note 3b):	
Common stocks	77,260,911
Corporate fixed income securities	13,126,826
Government and agency fixed income securities	20,958,796
Mutual Funds:	
Domestic	50,533,622
International	27,907,550
Alternative Investments:	
Agriculture	13,331,704
Real Estate	19,063,258
Total investments	<u>222,182,667</u>
Total assets	<u>236,313,681</u>
LIABILITIES	
Accounts payable	61,568
Total liabilities	<u>61,568</u>
NET POSITION	
Net position - restricted for OPEB	<u>63,563,821</u>
Net position - restricted for Pension	<u>\$ 172,688,292</u>

The accompanying notes are an integral part of the basic financial statements.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 29,301,845
Plan members	2,391,565
Total contributions	<u>31,693,410</u>
Investment earnings:	
Net increase in fair value of investments	21,190,577
Interest	1,496,687
Dividends	1,487,870
Total investment earnings	<u>24,175,134</u>
Less investment expenses	835,799
Net investment earnings	<u>23,339,335</u>
Total additions	<u>55,032,745</u>
DEDUCTIONS	
Pension benefits	15,802,528
Refund of plan member contributions	307,735
Other post-retirement benefits	4,645,195
Administrative expenses	401,109
Total deductions	<u>21,156,567</u>
Increase in net position	33,876,178
Net Position - July 1, 2023	202,375,935
Net position - June 30, 2024	<u>\$ 236,252,113</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, *the primary government* is reported separately from certain legally separated component units for which the primary government is financially accountable.

(b) Reporting entity

The City of Charlottesville, Virginia (the City) is a political subdivision of the Commonwealth of Virginia operating under the Council-Manager form of government. The Council consists of five members elected at large. The mayor is then selected among the Council members. The Council is responsible for appointing the City Manager. The City has taxing powers subject to statewide restrictions and tax limits. The accompanying financial statements include all activities of the City, such as general operations and support services for which the government is considered to be financially accountable. The component units discussed below are included in the City Reporting Entity because the City appoints a majority of the CEDA board members, approves the budgetary request of the School Board and provides a significant amount of funding for each of these entities.

Discretely presented component units. The component unit columns in the government-wide financial statements include the financial data of the City's two component units. Each is presented in a separate column to emphasize that these units are legally separate from the City, and each represents a functionally independent operation. These component units are fiscally dependent on the City and provide services primarily to the citizens of Charlottesville. A description of the discretely presented component units follows:

- (i) **School Board:** The City provides education through its own school system administered by the Charlottesville School Board (the School Board). The School Board has been classified as a discretely presented component unit in the financial reporting entity because it is legally separate but financially dependent. The City Council administers the School Board's appropriation of funds at the category level, approves transfers between categories, and authorizes school debt. School Board members are elected. Financial statements of the School Board are included in a discretely presented component unit column and/or row of the government-wide financial statements, as well as in the supplementary information section. The School Board does not issue separate financial statements.
- (ii) **Economic Development Authority:** The Charlottesville Economic Development Authority (the CEDA) was established to promote industry and develop trade by inducing manufacturing, industrial, and commercial enterprises to locate or remain in the City. City Council appoints the seven board members of the CEDA. By statute, the CEDA has the power to cause the issuance of tax-exempt industrial revenue bonds to qualifying enterprises wishing to utilize that form of financing. The City is involved in the day-to-day operations of the CEDA the determination of its operating budget and annual service fee rates. Financial statements of the CEDA are included in a discretely presented component unit column and/or row of the government-wide financial statements. Complete audited financial statements of the CEDA can be obtained from the Office of Economic Development, City of Charlottesville, PO Box 911, Charlottesville, VA 22902, or Room B230 at City Hall.

(c) Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are inter-related. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water, wastewater, and gas functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue for the various functions concerned.

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 units. The City reports investment in capital assets net of depreciation, including infrastructure, in the Statement of Net Position. Depreciation expense, the cost of "using up" capital assets, is included in the Statement of Activities. Noncurrent liabilities including bonds, net pension liability, notes and loans payable are included, separated into due within one year and due in more than one year. The net position of the City is reported in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

The *Statement of Activities* reports expenses before revenues of the primary government (governmental and business-type activities) and its discretely presented component units. This order emphasizes that governments identify the service needs of citizens and then raise the resources needed to meet those needs. This presentation demonstrates the degree to which direct expenses of a clearly identifiable function or segment are reduced by program revenues associated with that function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a program. All taxes and other items not included among program revenues, are reported instead as general revenues.

(d) Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is used to account for and report all of the financial resources except for those not accounted for and reported in another fund. It is the City's primary operating fund. Revenues are derived primarily from property and other local taxes, state funds, licenses, permits, charges for services, fees, Albemarle County Revenue Sharing and other revenue sources. A significant portion of the General Fund's revenue is transferred to other funds and the Charlottesville School Board, (a component unit), to finance operations.

The *American Relief Program Act Fund* (ARPA) is used to account for and report all of the financial resources that are restricted to eligible expenditures under this federal COVID relief program.

The *Social Services Fund*, which is a special revenue fund, accounts for the financial resources associated with the Charlottesville Department of Social Services (CDSS). Social Services provides state and federal income support, employment assistance and social work service programs to alleviate poverty and other social problems.

The *Capital Projects Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Revenues for this fund are obtained from bond issues, a transfer from the General Fund, federal and state highway grant funds, PEG fee revenue and contributions from Charlottesville School Board and other local governments for shared facilities.

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The *Debt Service Fund* is used to account for and report all financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Payments are made on long-term general obligation debt of governmental funds including bonds, notes and other evidence of indebtedness and the cost of issuance of debt issued by the City.

Proprietary funds, all of which are considered major funds, are used to account for and report on their activities using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The purpose of a proprietary fund is to provide a service or product to the public or other governmental entities at a reasonable cost. The City reports the following enterprise funds as proprietary fund types:

- The *Water Fund* accounts for the operations of the City's water distribution system.
- The *Sewer Fund* accounts for the operations of the City's wastewater collection system.
- The *Gas Fund* accounts for the operations of the City's natural gas distribution system.
- The *Stormwater Fund* accounts for the operations of the City's waterways.
- The *Golf Course Fund* accounts for the operations of the City's 18-hole municipal golf course.

The *Fiduciary Fund* accounts for the activities for the two pension trust funds for retirement and postemployment benefits. The trust funds accumulate resources for pension payments and benefits for qualified city employees. Fiduciary funds cannot be used to finance the City's operating programs and are not included in the government-wide financial statements.

Additionally, the City reports the following fund types:

Special Revenue Funds are nonmajor governmental funds used to account and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The City has established special revenue funds to account for the Community Development Block Grant, Grants (consolidated Grants from federal, state, and local funding sources), Human Services Programs, Children's Services Act, Opioid Remediation, and Charlottesville Area Transit. Cemetery perpetual care is included, which is a permanent fund.

Internal Service Funds are used to account for and report the financing of goods and services provided by one department primarily or solely to other departments of the City. Information Technology, Risk Management, Warehouse and Departmental Services are accounted for and reported as Internal Service Funds. In the government-wide Statement of Net Position, the assets and liabilities of these funds are allocated to both governmental and business-type activities, based on the predominate use of the fund's services. Specifically, the assets and liabilities of the Warehouse Internal Service Fund are allocated completely to the City's Enterprise Funds based on predominate usage. The remaining Internal Service Fund balances are allocated to governmental activities. In the government-wide Statement of Activities, certain transactions are assigned directly to governmental activities and the remaining net income or loss is allocated to both governmental and business-type activities, based on actual charges for services.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included in the business-type activities column.

Further, certain activities occur during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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(e) Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*. Revenues are recorded as earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In applying the *susceptible to accrual* concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of intergovernmental revenues. In the first type, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon when the expenditures are recorded. In the second type, monies are virtually unrestricted as to time of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the accrual criteria are met.

The governmental fund financial statements are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as capital outlay in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources. A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and total net position for governmental activities as shown on the government-wide Statement of Net Position and the government-wide Statement of Activities is presented in a schedule accompanying the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance, respectively. These differences stem from governmental statements using a different measurement focus than government-wide statements.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds, the operation of which are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred inflows, liabilities, deferred inflows, fund balance, revenues and expenditures (or expenses for proprietary funds), as appropriate.

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 45 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and pension trust funds are reported using *the economic resources measurement focus and the accrual basis of accounting*.

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(f) Cash, cash equivalents and investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, money market mutual funds and certificates of deposit with original maturities of twelve months or less from date of acquisition. Investments are reported at fair value (generally based on quoted market prices) or the net asset value per share.

(g) Allowance for uncollectible accounts

The City calculates its allowances for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. At June 30, 2024, the allowances approximated \$1,368,484 in the General Fund, \$1,684,213 in the Proprietary Funds (\$439,612, \$497,409, \$721,349, \$25,843) for the Water, Sewer, Gas, and Stormwater Funds, respectively, and \$2,549,042 in the Capital Projects Fund.

(h) Inventory of supplies and prepaid items

Inventories are valued at cost using the weighted average method. Inventories consist of expendable materials and supplies held for future consumption. They are accounted for by the consumption method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

(i) Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, bridges, storm pipes and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the City and Component Units as assets with an initial, individual cost of \$5,000 or more and an estimated useful life greater than of two years. The same estimated minimum useful life is used for infrastructure assets, but only those projects that cost \$50,000 or more are reported as capital assets.

As the City and Component Units constructs or acquires capital assets each period they are capitalized and reported at historic cost. The reported value excludes normal maintenance and repairs which do not increase the asset's capacity or efficiency or its estimated useful life. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service, on the date donated.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, and infrastructure of the primary government and component units, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building/building improvements	40-50
Streets and bridges	30-50
Infrastructure (storm structures and storm pipe)	50-75
Utility transmission lines and mains	20-40
Furniture and equipment	5-10
Vehicles	5-7
Leases	1-13
Subscription	1-5

(j) Deferred outflows/inflow of resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition

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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.

Included as both an outflow and inflow are *deferred charges 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 life of the refunded or refunding debt.

Unavailable tax revenues are included on both the Statement of Net Position and the Balance Sheet as deferred inflow of resources. General property taxes levies assessed each year as of January 1 on the estimated market value of property are due in equal semiannual payments due June 5 and December 5. The deferred tax revenues represent payments due on December 5.

Pension plan changes for measurement date June 30, 2022 are presented on the Statement of Net Position. Actuarially determined *deferred outflows of resources* include changes in the expected and actual experience, along with changes in expected and actual investment earnings, change in proportion on beginning net pension liability, changes in proportions and difference between employer contribution and proportionate share of contributions, changes in assumptions, and employer contributions subsequent to the measurement date. *Deferred inflows of resources* consists of the current year's amortization, actuarially determined changes in proportion on beginning net pension liability, difference between expected and actual investment earnings, and changes in proportion between employer contribution and proportionate share of contributions.

(k) Compensated absences

City employees are granted vacation and sick leave in varying amounts as services are provided. Employees may accumulate, subject to certain limitations, unused vacation and sick leave earned. Vacation leave can be accrued up to the amount earned in one year, plus an additional week. Upon retirement, termination or death, employees may be compensated for certain amounts of unused vacation leave earned at their then current rates of pay. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. In addition, unused sick leave becomes credited service for pension benefit calculations, for one-half of the accumulated amount, up to a maximum of two thousand hours.

School Board employees also earn vacation and sick leave as services are provided. At June 30, 2015, the methodology for calculating the unused sick leave payable at retirement changed from the assumption that employees would resign before retirement to the assumption that employees would stay until eligible for retirement.

Sick leave earned but not taken by City and School Board employees as of June 30, 2024, approximated \$14,948,168 and \$17,035,299 respectively. Upon retirement, no cash payments are made for sick leave. Therefore, an accrued balance is not recorded in the financial statements.

(l) Risk management

The City is exposed to various risks of loss related to torts; errors and omissions; injuries to and illnesses of employees; theft of, damage to, and destruction of assets; and natural disasters. The City employs a variety of risk management techniques, including the purchase of commercial insurance, participation in insurance pools and self-insurance. All funds of the City participate in the risk program and make payments to the Risk Management Internal Service Fund in a manner that is appropriate in allocating the costs associated with the risk involved. Claims, including incurred but not reported (IBNR) claims, are recognized as expense when incurred. There have been no significant changes in coverage from the prior year, nor have settlements exceeded coverage in the past five fiscal years.

(m) Encumbrances

Encumbrances are used to control expenditure commitments for the year and to enhance cash management. Accounting for encumbrances is employed in all governmental funds. Encumbrances (e.g., purchase orders) outstanding at year end are reported as assigned fund balance and do not constitute expenditures or liabilities but are obligations that will be paid in a following year.

(n) Pensions and other post-employment benefits (OPEB)

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For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension and OPEB expense, and information about the fiduciary net position of the City of Charlottesville Supplemental Retirement or Pension Plan and Virginia Retirement System (VRS) and additions to/deductions from those fiduciary net positions have been determined on the same basis as they are reported by the City Pension Plan and 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.

(o) Leases

The City leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

- **The Lessee** recognizes lease liabilities and intangible right-to-use lease assets for contracts that are longer than twelve months in duration in the government-wide financial statements. As the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term, less any lease incentives. The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payment made to the lessor at or before commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying assets.
- **The Lessor** recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term less any lease incentives.
- **Key Estimated and Judgements** for determining the rate used to discount the expected lease payments to present value, lease term, and lease payments are included in lease accounting:
 - The City uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the City uses its estimated incremental borrowing rate as the discount rate for leases.
 - The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
 - Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

(p) Subscription Agreements

The City has several subscription-based software applications that it has identified as a right-to-use asset for its operations. At the commencement of the Subscription Based IT Arrangement (SBITA) the liability is measured at the present value of payments expected to be made during the SBITA term. The SBITA represent only those agreements that are longer than twelve months in duration. The SBITA assets are amortized over its agreement term or the useful life of the underlying asset.

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2. GOVERNMENT-WIDE AND FUND EQUITY

For government-wide, proprietary funds and fiduciary funds financial statements, equity is described as net position (total assets minus total liabilities) and is broken down into three components: (1) amount invested in capital assets, net of related debt, (2) restricted and (3) unrestricted net position. The City's policy is to consider restricted net position to have been depleted before using any of the components of unrestricted net positions. For governmental funds, equity is described as fund balance (current assets minus current liabilities), which is broken down into nonspendable, restricted, committed, assigned and unassigned fund balance.

- **Net investment in capital assets** consists of capital assets less accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction, or permanent improvement of those assets. Unspent debt proceeds are excluded.
- **Restricted net position** reflects net position whose use is not subject solely to the government's own discretion.
- **Unrestricted net position** consists of net position that does not meet the definition of the two preceding categories. Unrestricted net assets are often designated to indicate that management does not consider them available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management but can be modified or removed.
- **Deferred outflows of resources** represent a consumption of net assets that applies to future periods.
- **Deferred inflows of resources** represent an acquisition of net assets that applies to future periods.

(a) Fund Balances:

City Council is the City's highest level of decision making authority. City Council can modify or rescind a fund balance through adoption of a resolution appropriating the funds. Assigned fund balance contains purchase orders and amounts at year end that City Council intends to use for a specific purpose.

The City maintains a minimum fund balance in the General Fund, classified as unassigned fund balance. The minimum fund balance policy is found in the City's adopted operating budget. Currently, the City is to maintain a minimum of 14% of the operating budget in fund balance plus a downturn reserve of no less than 3% of the General Fund operating budget. City Council may elect to maintain a higher unassigned fund balance to provide the City with sufficient working capital and a margin of safety to address emergencies and unexpected declines in revenue without borrowing.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The City Manager has the authority to deviate from this policy if it is in the best interest of the City.

- **Nonspendable** - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted** - Represents amounts with constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed** - Represents specific purposes in accordance with internal constraints imposed by formal action of the City's highest level of decision-making, Charlottesville City Council. The formal action is an appropriation, which designates funds for a particular use, to the exclusion of all other uses. Once adopted, the appropriation can only be changed by City Council through similar action.

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- **Assigned** – Represents amounts that are constrained by City Council’s intent to use for specific purposes, but meet neither the restricted nor committed forms of constraint. Amounts that are assigned are only temporary until City Council takes formal action with an appropriation.
- **Unassigned** – Represents the residual category for the general fund only. It is also where negative fund balance for all other governmental funds would be reported.

Fund balances are composed of the following as of June 30, 2024:

	General	Capital Projects	Debt Service	Other Govt	Total
<u>Nonspendable for:</u>					
General fund prepaid expenses	\$ 31,383	\$ -	\$ -	\$ -	\$ 31,383
Cemetery perpetual care	-	-	-	162,502	162,502
Total nonspendable	31,383	-	-	162,502	193,885
<u>Restricted for:</u>					
Loans receivable	-	-	-	10,000	10,000
Fire Programs	51,521	-	-	302,465	353,986
Law Enforcement	208,054	-	-	8,440	216,494
Four for Life	142,700	-	-	-	142,700
Court House Maintenance/Construction	222,919	-	-	-	222,919
Commonwealth Attorney	39,290	-	-	-	39,290
Children’s Services Act	-	-	-	256,917	256,917
Health and Welfare	-	-	-	8,239	8,239
Opioid Remediation	-	-	-	248,347	248,347
Youth Programs	-	-	-	3,157	3,157
Parks and Tree Conservation	1,129	-	-	27,967	29,096
Community Development	-	-	-	79,113	79,113
Total restricted	665,613	-	-	944,645	1,610,258
<u>Committed for:</u>					
Nonrecurring vehicle/equipment	2,111,251	-	-	-	2,111,251
Repairs/Improvements to Government Bldgs	998,569	-	-	-	998,569
Parking enterprise fund	3,279,140	-	-	-	3,279,140
Parks and Recreation Programs	111,974	-	-	-	111,974
Fire Programs	13,584	-	-	-	13,584
City Council initiatives	5,000	-	-	-	5,000
Council Reserve	390,636	-	-	-	390,636
Citywide Reserve	76,550	-	-	-	76,550
Historic Resources	27,819	-	-	-	27,819
Sheriff Programs	2,804	-	-	-	2,804
Workforce Development	70,300	-	-	-	70,300
Corporate Training	124	-	-	-	124
Reserve for landfill remediation	2,340,538	-	-	-	2,340,538
Future debt service	-	-	18,655,621	-	18,655,621
Total committed	9,428,289	-	18,655,621	-	28,083,910
<u>Assigned for:</u>					
Purchases on Order	2,611,908	4,770,407	-	-	7,382,315
Total assigned	2,611,908	4,770,407	-	-	7,382,315
<u>Unassigned:</u>					
Unassigned	61,135,262	-	-	-	61,135,262
Total fund balance	\$ 73,872,455	\$ 4,770,407	\$ 18,655,621	\$ 1,107,147	\$ 98,405,630

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(b) Encumbrances

As discussed in the required supplementary information, unexpended general fund appropriations lapse at the end of the fiscal year unless carried over by Council action. Budgets for some special revenue funds and debt service funds are adopted on an annual basis. The capital projects fund and grant fund budgets are adopted on a project life basis.

At year end the value of encumbrances, net accrued encumbrances, expected to be honored upon performance by the vendor in the next year were as follows:

	General Fund	Americal Rescue Plan Act	Capital Projects	Other Government	Total
Vehicles and Equipment	\$ 849,778	\$ -	\$ -	\$ -	\$ 849,778
Government Building Improvemnts	44,699	-	-	-	44,699
Parking enterprise	10,812	-	-	-	10,812
General Government	20,358	230,060	61,688,425	-	61,938,843
Public Safety	485,927	54	1,444,389	43,097	1,973,467
Community Service	260,710	-	38,948	10,117,152	10,416,810
Street Construction/Maintenance	232,683	-	2,628,688	-	2,861,371
Health and Welfare	-	118,356	-	250,797	369,153
Parks and Recreation	310,557	187,932	1,197,707	-	1,696,196
Education	387,234	-	2,865,163	-	3,252,397
Conservation and Development	9,150	174,196	15,777,587	253,876	16,214,809
Total	<u>\$2,611,908</u>	<u>\$ 710,598</u>	<u>\$85,640,907</u>	<u>\$ 10,664,922</u>	<u>\$ 99,628,335</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

(a) Primary Government

At June 30, 2024, the carrying value of the City's deposits and investments, with their respective credit ratings, was as follows:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Demand deposits	\$ 1,357,641	Various
Cash on hand	6,540	Various
Commonwealth LGIP	1,717,921	AAAm
Money Market Mutual Funds	3,249,044	AAAm
Commonwealth Non-Arbitrage Program (SNAP)	5,003,560	AAAm
Virginia Investment Pool	71,301,285	AAAm
Total deposits and investments	<u>\$ 82,635,991</u>	

Investments at Fair Value:

Effective July 1, 2015, the City adopted the provisions of GASB Statement 72, *Fair Value Measurement and Application*. This statement establishes standards of accounting and reporting related to fair value measurements. The definition of 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 City categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and are described as follows.

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- Level 1 inputs are quoted prices in active markets for identical assets.
- Level 2 inputs are significant other observable inputs, known as the market value approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets.
- Level 3 inputs are significant unobservable inputs.

At June 30, 2024, there was no change in valuation techniques that had a significant impact on the values. The fair value hierarchy of Primary Government Investments was as follows:

Investment Type	Level 1	Level 2	Level 3	Total	Credit Rating
Corporate certificate of deposit	\$ -	\$ 4,132,245	\$ -	\$ 4,132,245	Aa2 to Aa3
Corporate notes	-	10,137,903	-	10,137,903	Aaa to A3
U. S. Treasury notes	29,641,443	-	-	29,641,443	Aaa
Federal agency notes	-	11,857,469	-	11,857,469	Aaa
Total fair value investments	\$ 29,641,443	\$ 26,127,617	\$ -	\$ 55,769,060	

Credit Risk:

The City has a Statement of Investment Policy in accordance with the Commonwealth of Virginia Code section 2.2-400 et. seq., 2.2-4500 et. seq., 58.1-3123 et. seq. and Trust Agreements, where applicable. Deposits and investments not exposed to credit quality risk, as defined by GAAP, are designated as “N/A” in the credit rating column.

All demand deposits of the City are maintained in bank accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia Vol 1, Chapter 44 or covered by federal depository insurance.

Local Government Investment Pool (LGIP) is a specialized money market-like fund created in the 1980 session of the Virginia General Assembly designed to offer a convenient and cost-effective investment vehicle for public entities. The Fund is administered by the Treasury Board of the Commonwealth of Virginia and is rated AAAM by Standard & Poors, Inc and it is a GASB Statement 79 compliant local government investment pool.

The Virginia Investment Pool (VIP) was established in 2013 by local Treasurers and Investment Officers through sponsorship of the Virginia Association of Counties and the Virginia Municipal League. The impetus behind the creation of VIP was to develop an investment vehicle which local governments could jointly invest to prudently achieve higher earnings on operating and reserve funds. VIP enables local governments to take advantage of the full range of investments authorized in the Code of Virginia with the guidance of a professional fund manager. The stable NAV Liquidity Pool, rated AAAM by S&P, offers stable net asset value, daily liquidity, and a competitive yield.

Money Market Mutual Funds are shares in open-end, no-load investment funds registered under the Federal Investment Company Act of 1940, provided that the fund is rated at least AAAM or the equivalent by NRSRO.

The Commonwealth of Virginia State Non-Arbitrage Program (SNAP) was established pursuant to the Local Government Non-Arbitrage Investment Act to make available to Virginia counties, cities, and towns assistance with the investment of and accounting for bond proceeds in compliance with rebate requirements of the Internal Revenue Code of 1986, as amended. The program is managed by PFM Asset Management LLC, an investment advisor registered with the Securities and Exchange Commission. SNAP provides local governments with a convenient method of pooling proceeds of bonds and notes for temporary investment pending their capital project expenditures. The SNAP program is sponsored by the Virginia Treasury Board, and it is a GASB Statement 79 compliant local government investment pool.

Corporate notes are held with a rating at least Aa (or its equivalent) by Moody’s Investor’s Service, Inc. and Standard and Poors, Inc. The final maturity shall not exceed a period of five (5) years from the time of purchase.

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Federal agency obligations include bonds, notes and other obligations of the United States, and securities issued by any Aaa rated federal government agency, instrumentality or government sponsored enterprise except for Collateralized Mortgage Obligations. The final maturity shall not exceed a period of five (5) years from the time of purchase.

Concentration of Credit Risk:

The Policy establishes limitations on portfolio diversification by security type and institution to control concentration of credit risk as follows:

<u>Permitted Investment</u>	<u>Sector Limit</u>	<u>Issue Limit</u>
U. S. Treasury Obligations	100 %	100 %
Federal Agency Obligations	100	100
Municipal Obligations	10	3
Commercial Paper	20	3
Bankers' Acceptances	10	3
Corporate Notes	20	3
Negotiable Certificates of Deposit and Bank Deposit Notes	20	3
Money Market Mutual Funds	100	50
LGIP	50	50
Repurchase Agreements	35	35

At June 30, 2024, the sector and issue limits have not been exceeded.

Interest Rate Risk:

As a means of limiting exposure to fair value arising from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than five years from the date of purchase. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities. On June 30, 2024, all investments in the City's portfolio had a maturity of five years or less.

Restricted Cash and Investments:

The City had unspent bond proceeds of \$1,311,460. Of this amount, \$1,235,212 was for governmental activities, and \$76,248 was business-type activities.

(b) City of Charlottesville Pension and OPEB Trust Fund

On June 30, 2024, the fair value hierarchy of Primary Government Investments, and the deposits and investments of the Pension Trust Fund, with the respective credit ratings, was as follows:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Credit Rating</u>
Common Stock	\$ 77,160,911	\$ -	\$ -	\$ 77,160,911	Various
Corp Fixes Income Securities	13,126,826	-	-	13,126,826	Aaa-B3
Government and agency fixes income securities					
Explicitly guaranteed by U.S. government	-	11,821,256	-	11,821,256	Various
Implicitly guaranteed by U/S. government	-	7,270,879	-	7,270,879	Aaa-Aa1
Municipal	-	1,866,661	-	1,866,661	Aaa-Aa1
Mutual Funds - domestic	-	50,533,622	-	50,533,622	Various
Mutual Funds - international	-	27,907,550	-	27,907,550	Various
Total investments at fair value	<u>\$ 90,287,737</u>	<u>\$ 99,399,968</u>	<u>\$ -</u>	<u>\$ 189,687,705</u>	
Total demand deposits and investments at fair value	<u>\$ 90,287,737</u>	<u>\$ 99,399,968</u>	<u>\$ -</u>	<u>\$ 189,687,705</u>	

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Alternative Investments:

A provision of GASB Statement 72, *Fair Value Measurement and Application*, is to disclose detail pertaining to City’s Alternative Investments. The fair value of these investment types has been determined using the Net Asset Value per Share of the City’s ownership interest in partners’ capital. The City is invested in four unique alternative investments that make up 12.8% of the Pension Trust Fund total investments. There are no unfunded commitments, nor do any of the funds have a set end date. The valuation method is presented on the following table:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Redemptions Frequency (if currently eligible)</u>	<u>Redemption Notice Period</u>
Alternative investments - UBS AgriVest	\$ 6,056,181	Quarterly	60 days
Alternative investments - Ceres Farms	7,275,523	Annually	150 days
Alternative investments - RE PRISA	9,688,426	Quarterly	90 days
Alternative investments - RE PRISA II	9,374,832	Quarterly	90 days
Total alternative investments at fair value	<u>\$ 32,394,962</u>		

Credit Risk:

Investments in the Pension Trust Fund are managed in accordance with policies adopted by the Retirement Commission. These policies set target allocations of 50% for domestic equities, 20% for fixed income, 10% for international equities, 5% for Emerging Markets, 5% for Farmland, and 10% for real assets and authorizes investments in cash equivalents, fixed income securities, equity securities and mutual funds. The Statement specifically addresses the credit quality rating requirements on fixed income investments, permitting the purchase of investment grade bonds rated BBB or better. Fixed income investments rated below BBB shall constitute no more than 10% of the total market value of all assets in the account. Credit ratings in the table below are ratings from Moody’s Investor’s Service. If the investment was rated only by Standard & Poor’s Rating Services, the table below has the Moody’s equivalent rating. The following table summarizes the Pension Trusts’ credit risk for corporate, implicitly guaranteed by U.S. government and municipal fixed income securities at June 30, 2021:

<u>Investment Type</u>	<u>Rating</u>	<u>% of Total Portfolio</u>
Corporate Bonds	No rating	5.6 %
Corporate Bonds	Aaa	8.2
Corporate Bonds	Aa1-Aa3	1.9
Corporate Bonds	A1-A3	11.8
Corporate Bonds	Baa1-B3	11.0
Federal Home Loan Mortgage Corporation	Aaa-Aa1	4.9
Federal National Mortgage Association	Aaa-Aa1	13.4
Implicitly Guaranteed Bonds	Aaa-Aa1	3.0
Municipal Bonds	Aaa-Aa1	5.5

Concentration of Credit Risk:

The policy establishes limitations on corporate securities by issuer to control concentration of credit risk as follows:

Company is not to exceed 5% of the total fund.

The Plan has no investment that is greater than 5% of the total portfolio, excluding mutual funds and government securities.

The policy establishes limitations on corporate securities by issuer in order to control concentration of credit risk.

Interest Rate Risk:

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The Plan has no specific limits on the maximum maturity for any security held. There is a 5% limit on holding fixed income securities in any issuer, excluding government and government agency securities.

At June 30, 2023, the Pension Trust Fund had the following investments and maturities:

	Fair Value	Investment Maturity		
		0 - 5 years	6 - 10 years	11 - 40 years
Corporate fixed income	\$ 13,126,826	\$ 4,195,127	\$ 2,242,804	\$ 6,987,932
Government fixed income	20,958,796	1,074,399	2,285,902	15,282,721
	<u>\$ 34,085,622</u>	<u>\$ 5,269,526</u>	<u>\$ 4,528,706</u>	<u>\$ 22,270,653</u>

Rate of Return:

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -10.05% on June 30, 2023 and -10.99% at June 30, 2022. The money-weighted rate of return expresses investment performance adjusted for the changing amounts invested.

(c) School Board Component Unit

At June 30, 2023, the carrying value of the School Board component unit deposits and investments, with their respective credit ratings, was as follows:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Demand deposits	\$ 29,328,085	N/A
Commonwealth LGIP	4,563,415	AAAm
Total deposits and investments	<u>\$ 33,891,500</u>	

School Board deposits are invested in accordance with the City's investment policy. At June 30, 2023, excluding the demand deposits and Commonwealth LGIP, there were no investments. Accordingly, there is no credit risk, concentration of credit risk, or interest rate risk.

(d) Charlottesville Economic Development Authority (CEDA)

At June 30, 2024, the carrying value of the CEDA component unit deposits and investments, with their respective credit ratings, was as follows:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Demand deposits	\$ 2,695,803	N/A
Total deposits and investments	<u>\$ 2,695,803</u>	

The City serves as fiscal agent for the CEDA. However, the CEDA is not subject to the City's investment policy. At June 30, 2024, excluding the demand deposits, there were no investments. Accordingly, based on this minimal risk, the CEDA does not have the need for a formal investment policy that addresses credit risk, concentration of credit risk or interest rate risk.

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4. GENERAL PROPERTY TAXES

The two major sources of general property taxes are as follows:

(a) Real Estate

The City levies real estate taxes on all real estate within its boundaries, except that exempted by statute. These levies are assessed each year as of January 1 based on the estimated market value of the property. January 1 is also the date an enforceable, legal claim to the asset applies. The City reassesses all property annually.

Real estate taxes are collected in equal semiannual payments that are due June 5 and December 5. During the fiscal year, the real estate taxes budgeted for and reported as revenue in the fund financial statements are the second half of the January 1, 2023, assessment which is due December 5, 2023. The first half of the January 1, 2024, assessment normally due June 5, 2024, less an allowance for uncollectable and less taxes not considered available for current expenditures plus collections on previously delinquent taxes. The tax rate for both 2023 and 2024 is \$0.96 per \$100 of assessed value. Real estate taxes receivable, assessed as of January 1, 2024, and due December 5, 2024, are reflected in the accompanying fund financial statements as a receivable and are offset by deferred revenue, which is consistent with the City's budget ordinance. In the government-wide financial statements, real estate taxes that are not due as of June 30, 2024, are included in deferred revenue since they are not due for the current fiscal year.

(b) Personal Property

The City levies personal property taxes on motor vehicles and tangible personal business property. These levies are assessed as of January 1 and prorated for motor vehicles acquired or sold during the year, with payment in equal semiannual installments due June 5 and December 5. During fiscal year 2022, the personal property taxes budgeted for and reported as revenue in the fund financial statements are the second half of the January 1, 2023 assessment due December 5, 2023, and the first half of the January 1, 2024 assessment normally due June 5, 2024, less an allowance for uncollectable and less taxes not considered to be available for current expenditures plus collections on previously delinquent taxes. The tax rate for both 2023 and 2024 was \$4.20 per \$100 of assessed value. Personal property taxes receivable, assessed during 2024 and due December 5, 2024, are reflected in the accompanying fund financial statements as a receivable and are offset by deferred revenue, which is consistent with the City's budget ordinance. In the government-wide financial statements, personal property taxes that are not due as of June 30, 2024, are included in deferred revenue since they are not due for the current fiscal year.

In April 1998, the Virginia General Assembly passed S.B. 4005, the Personal Property Tax Relief Act of 1998, PPTRA. In its original form, PPTRA, in essence, was a vehicle-based entitlement. Beginning 2006, changes to PPTRA made by S.B. 5005 marked an end to this vehicle-based entitlement. S.B. 5005 establishes what amounts to a fixed, annual block grant to localities, the proceeds of which must be used to provide relief to the owners of qualifying vehicles. Localities determine how relief is to be distributed, within the guidelines established. Vehicles below \$1,000 assessed value are given 100% relief.

5. LOANS RECEIVABLE

The Community Development Block Grant (CDBG) Special Revenue Fund has \$8,478 in outstanding installment loans and \$430,295 in deferred payment loans, which are secured by property liens. Both installment and deferred payment loans have terms from 5 to 30 years, bear an interest rate of three percent, and are payable upon sale, transfer or disposal of the property. These loans represent monies advanced to low-income qualified property owners under federally funded housing renovation and rehabilitation projects and are fully offset on the balance sheet by an amount due to the federal government.

The Grants Special Revenue Fund has \$456,215 in deferred payment loans, which are secured by property liens. All loans represent federally funded monies advanced to low-income qualified property owners under the

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HOME Investment Partnership. The terms are the same as the CDBG deferred payment loans found above and is fully offset on the balance sheet by an amount due to the federal government.

The Capital Projects has the following outstanding loans receivable:

- \$850,000 to Piedmont Housing Alliance (PHA), which is a non-interest bearing loan due October 31, 2022, unless the property is sold before that date.
- \$130,000 in a non-interest bearing loan to the Charlottesville Economic Development Authority (CEDA) which is part of funding utilized by the Lewis & Clark Exploratory Center of Virginia, Inc., combined with grant funds from the Virginia Department of Transportation and funds from Albemarle County to construct the Lewis & Clark Exploratory Center, and improvements at Darden Towe Park, which is jointly owned by the City and the County. The loan is currently due but a request to forgive the loan was approved by the City Council contingent on Albemarle County doing the same. Albemarle County has not taken action on this request.
- \$1,550,000 to The Crossings at Fourth and Preston, LLC for the transfer of property at 401 4th Street, NW Charlottesville, to be operated as a Single Room Occupancy facility. The loan is for a period of 31 years, interest calculates at 4.3% per annum. The entire principal balance and any accrued, unpaid, interest are due June 30, 2042, or upon sale of the property.
- \$2,549,042 in deferred payment loans advanced to low-income property owners with terms similar to those of the CDBG and HOME grants described above but funded by the City rather than federal funds. The loans are secured by property liens on the participating homeowners. Depending on the terms of each loan, a ratable portion of the loan balance is forgiven each month in which the participant owns the home. If the participant sells the home before the entire loan is forgiven, they are responsible for repayment of the remaining loan balance. Because this rarely happens, and therefore most loans are forgiven, an allowance for the full amount is recorded to offset the receivable.

The Charlottesville Economic Development Authority (CEDA) entered into a 20-year promissory note with the Charlottesville Pavilion in the amount of \$2.4 million for construction cost of the Amphitheater in 2004, with periodic payments of principal and interest, at 3.70%. The note is secured by a first lien on all the assets of the Charlottesville Pavilion, its fixtures, an accounts receivable. In 2018, a modification of the promissory note was executed to re-advance \$500,000 for the replacement of the roof of the Amphitheater and extend the maturity date of the note to 2026. The balance of the note receivable was \$647,991 on June 30, 2024. In 2013, CEDA also executed a \$130,000 promissory note with the Lewis & Clark Exploratory Center for the construction of their learning center at Darden Towe Park. A reimbursement payable to the City is currently recorded and will be forgiven as described above.

6. DUE FROM AND TO OTHER GOVERNMENTS

(a) Amounts due from other governments on June 30, 2024, are presented below:

	Federal	State	Other	Total
City Governmental Activities:				
Major funds:				
General Fund - Consolidated 105,106,107, 650	-	\$ 1,906,076	\$ (89,569)	\$ 1,816,507
Capital Projects Fund - Consolidated 425-429	-	4,613,510	317,112	4,930,622
Social Services - 212	-	665,138	2,976	668,114
Total major funds	-	7,184,724	230,519	7,415,243
Non-major funds:	4,900,322	4,715,127	1,583,673	11,199,122
Total Primary Government	<u>\$ 4,900,322</u>	<u>\$ 11,899,851</u>	<u>\$ 1,814,192</u>	<u>\$ 18,614,365</u>
Component Unit - Schools	<u>\$ 2,056,843</u>	<u>\$ 6,946,329</u>	<u>\$ 646,236</u>	<u>\$ 9,649,408</u>

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(b) Amounts due to other governments on June 30, 2024, are presented below:

	Federal	State	Other	Total
City Governmental Activities:				
Non-major funds:				
Consolidated Grants	894,987	39,137	-	934,124
Total Primary Government	\$ 894,987	\$ 39,137	\$ -	\$ 934,124

7. DUE TO/FROM OTHER FUNDS AND INTERFUND TRANSFERS

(a) Individual fund deficits in consolidated pooled cash are considered short-term receivables of the General Fund. Individual fund interfund receivable and payable balances of the City on June 30, 2024, are presented below:

Major Funds	Due From Other Funds	Due to Other Funds
General Fund	\$ 10,931,423	\$ -
Social Services	-	457,926
Warehouse	-	257,399
Fleet	-	2,604,513
Total Major Funds	10,931,423	3,319,838
Major Funds		
Special Revenue Funds	-	28,968
Community Development Blc	-	423,839
Grants Fund	-	866,284
Human Services	-	1,824,239
Transit	-	4,468,256
Total Special Revenue Fund	-	7,611,586
Totals	10,931,423	10,931,424

(b) Transfers are primarily used to 1) transfer revenues that have been collected in the required fund per state law to the funds and activities that state law allows for expenditures; 2) transfer of “payment in lieu of taxes” contributions from the utility funds to the General Fund; 3) transfer funding from governmental funds to debt service and capital project funds; and 4) transfer matching funds from the General Fund and Special Revenue Funds for various grant programs.

(c) Interfund transfers for the year ended June 30, 2024, consisted of the following:

	Transfers in:							Total
	General	Capital Projects	Debt Service	Social Services	Nonmajor Governmental	Internal Services	Proprietary	
Transfers out:								
General Fund	\$ -	\$ 23,803,686	\$ 13,559,019	\$ 4,047,480	\$ 6,149,524	\$ 1,849,841		\$ 49,409,550
Capital Projects Fund		-	-	-	25,654			25,654
Debt Service Fund		5,060,057						5,060,057
Water Fund	1,020,342							1,020,342
Sewer Fund	1,052,324							1,052,324
Gas Fund	4,759,552							4,759,552
Total	\$ 6,832,218	\$ 28,863,743	\$ 13,559,019	\$ 4,047,480	\$ 6,175,178	\$ 1,849,841	-	\$ 61,327,479
Reconciliation to Exhibits:			Transfers in:	Transfers out:	Net Transfers			
Governmental Funds	Exhibit D		\$ 59,477,638	\$ 54,495,261	\$ 4,982,377			
Proprietary Funds	Exhibit E-2		-	6,832,218	(6,832,218)			
Internal Service Funds	Exhibit L-2		1,849,841	-	1,849,841			
Total			\$ 61,327,479	\$ 61,327,479	\$ -			

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8. CAPITAL ASSETS

(a) Primary Government

	Balance July 1, 2023	Restatements	July 1, 2023 Restated	Increases	Decreases	Balance June 30, 2024
Governmental activities:						
Capital assets not being depreciated						
Land and improvements	\$ 18,802,787	\$ -	\$ 18,802,787	\$ 10,284,336	\$ -	\$ 29,087,123
Infrastructure right of way	3,254,499	-	3,254,499	-	-	3,254,499
Assets under construction	45,972,349	-	45,972,349	38,647,758	13,227,443	71,392,664
Total capital assets not being depreciated	68,029,635	-	68,029,635	48,932,094	13,227,443	103,734,286
Other capital assets						
Buildings and improvements	187,113,810	-	187,113,810	9,704,897	-	196,818,707
Vehicles	44,494,987	80,338	44,575,325	6,149,198	156,189	50,568,334
Furniture and equipment	29,719,271	-	29,719,271	293,468	-	30,012,739
Streets	107,285,357	-	107,285,357	-	-	107,285,357
Bridges	29,406,907	-	29,406,907	8,117,981	-	37,524,888
Infrastructure	56,446,371	-	56,446,371	-	-	56,446,371
Lease - equipment	204,386	131,667	336,053	65,731	-	401,784
Lease - building space	10,691,069	-	10,691,069	-	-	10,691,069
Subscription assets	2,693,538	944,743	3,638,281	387,649	17,500	4,008,430
Total other capital assets at historical costs	468,055,696	1,156,748	469,212,444	24,718,924	173,689	493,757,679
Less accumulated depreciation:						
Buildings and improvements	84,410,151	-	84,410,151	4,709,954	-	89,120,105
Vehicles	36,621,828	3,826	36,625,654	2,734,116	151,908	39,207,862
Furniture and equipment	25,865,474	-	25,865,474	988,383	-	26,853,857
Streets	60,185,912	-	60,185,912	2,368,026	-	62,553,938
Bridges	3,430,359	-	3,430,359	727,591	-	4,157,950
Infrastructure	33,072,952	-	33,072,952	1,016,845	-	34,089,797
Lease - equipment	97,401	15,686	113,087	88,198	-	201,285
Lease - building space	1,922,190	-	1,922,190	961,094	-	2,883,284
Subscription assets	693,035	72,978	766,013	925,993	-	1,692,006
	246,299,302	92,490	246,391,792	14,520,200	151,908	260,760,084
Other capital assets, net	221,756,394	1,064,258	222,820,652	10,198,724	21,781	232,997,595
Governmental activities capital assets, net	\$ 289,786,029	\$ 1,064,258	\$ 290,850,287	\$ 59,130,818	\$ 13,249,224	\$ 336,731,881
Business-type activities:						
Land and improvements	\$ 1,921,723	\$ -	\$ 1,921,723	\$ -	\$ -	1,921,723
Easements	142,325	-	142,325	-	-	142,325
Total capital assets not being depreciated	2,064,048	-	2,064,048	-	-	2,064,048
Other capital assets						
Buildings and improvements	1,858,275	-	1,858,275	8,770	-	1,867,045
Vehicles	5,056,312	-	5,056,312	557,360	-	5,613,672
Equipment	2,971,150	-	2,971,150	71,281	-	3,042,431
Infrastructure	170,199,999	-	170,199,999	8,156,859	-	178,356,858
Lease - equipment	176,074	3,310	179,384	3,264	-	182,648
Total other capital assets at historical costs	180,261,810	3,310	180,265,120	8,797,534	-	189,062,654
Less accumulated depreciation:						
Buildings and improvements	1,533,681	-	1,533,681	26,693	-	1,560,374
Vehicles	3,070,455	-	3,070,455	510,930	-	3,581,385
Equipment	2,741,009	-	2,741,009	54,219	-	2,795,228
Infrastructure	67,491,649	-	67,491,649	4,231,523	-	71,723,172
Lease - equipment	110,108	55	110,163	55,239	-	165,402
	74,946,902	55	74,946,957	4,878,604	-	79,825,561
Other capital assets, net	105,314,908	3,255	105,318,163	3,918,930	-	109,237,093
Business-type capital assets, net	\$ 107,378,956	\$ 3,255	\$ 107,382,211	\$ 3,918,930	\$ -	\$ 111,301,141

* Vehicles, Lease - equipment, subscription asset in govt activities has opening balance adjustment

* Subscription asset in business activities has opening balance adjustment

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(b) School Board Component Unit

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 982,889	\$ -	\$ -	\$ 982,889
Total capital assets not being depreciated	<u>982,889</u>	<u>-</u>	<u>-</u>	<u>982,889</u>
Other capital assets				
Buildings and improvements	59,473,244	-	-	59,473,244
Vehicles	473,087	36,915	-	510,002
Furniture and equipment	2,284,179	628,218	-	2,912,397
Total other capital assets	<u>62,230,510</u>	<u>665,133</u>	<u>-</u>	<u>62,895,643</u>
Less accumulated depreciation:				
Buildings and improvements	42,858,865	1,298,348	-	44,157,213
Vehicles	200,484	46,635	-	247,119
Furniture and equipment	1,385,914	267,264	-	1,653,178
Total Accumulated Depreciation	<u>44,445,263</u>	<u>1,612,247</u>	<u>-</u>	<u>46,057,510</u>
Other capital assets, net	17,785,247	(947,114)	-	16,838,133
Governmental activities capital assets, net	<u>\$ 18,768,136</u>	<u>\$ (947,114)</u>	<u>\$ -</u>	<u>\$ 17,821,022</u>

(c) Allocation of Depreciation Expense

Depreciation expense was charged to functions/programs of the Primary Government as follows:

Governmental activities:	
General government	\$ 2,942,964
Public safety	1,714,387
Community services	3,309,205
Health and welfare	91,588
Parks, recreation and culture	1,774,951
Education	1,036,464
Conservation and development	3,650,478
Information Technology	163
Total increase in accumulated depreciation - governmental	<u>\$ 14,520,200</u>
Business-Type activities:	
Water	\$ 1,709,571
Sewer	1,429,427
Gas	1,193,321
Stormwater	456,687
Golf	89,598
Total increase in accumulated depreciation - business-type	<u>\$ 4,878,604</u>

Depreciation expense was charged to functions/programs of the Schools component unit as follows:

School activities:	
Instruction and instruction related	\$ 951,226
Support services - student based	564,286
Administrative support services	96,735
Total accumulated depreciation	<u>\$ 1,612,247</u>

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FOR THE YEAR ENDED JUNE 30, 2024

(d) Tenancy in Common – School Board Capital Assets

In fiscal year 2002, the Commonwealth of Virginia General Assembly passed a law to respond to GASB Statement 34 which established a local option of creating, for financial reporting purposes, a tenancy in common with the local school board when a city or county issues bonds. The sole purpose of the law was to allow cities and counties the ability to record together school assets and related debt liabilities. As a result, certain assets purchased with the City’s general obligation bonds and literary loans are recorded as part of the Primary Government. According to the law, the tenancy in common ends when the associated obligation is repaid; therefore, the assets will revert to the School Board when the debt is repaid. Nothing in the law alters the authority or responsibility of the local school board or control of the assets.

9. LONG-TERM LIABILITIES

(a) City

At June 30, 2024, the City’s long-term liabilities consisted of the following:

Governmental Activities	Interest Rate	Original Amount of Debt	Principal Amount Outstanding
General Obligation Bonds			
General improvement refunding, Series 2012	1.25-4.00	26,870,300	\$ 1,599,700
General Improvement, Series 2013	3.00-4.00	5,610,000	2,520,000
General improvement refunding, Series 2014	2.125-5.00	7,130,695	2,775,000
General improvement refunding, Series 2015	2.00-5.00	23,068,366	13,564,339
General improvement refunding, Series 2016	2.00-5.00	11,125,466	7,581,810
General Improvement, Series 2017	5.00	11,140,000	7,220,000
General Improvement, Series 2018	3.375-5.00	4,610,000	3,220,000
General Improvement, Series 2019	5.00	9,520,000	7,125,000
General Improvement, Series 2020	1.00-2.20	13,455,000	11,265,000
General Improvement, Series 2021	2.00-5.00	12,045,700	9,522,650
General Improvement, Series 2021B	1.08	4,285,165	2,887,373
General Improvement, Series 2022	4.00-5.00	18,350,000	16,510,000
General Improvement, Series 2023	3.39-4.89	14,470,000	13,740,000
Total			\$ 99,530,872
Insurance claims payable			2,904,325
Lease liability			8,090,814
Subscription liability			2,380,393
Compensated absences			3,302,032
Net pension liability			77,371,846
Net OPEB liability			4,928,730
Total*			<u>\$ 198,509,012</u>

*Amounts exclude unamortized premium amounts on bonds

**CITY OF CHARLOTTESVILLE, VIRGINIA
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Business Type Activities	Interest Rate	Original Amount of Debt	Principal Amount Outstanding
General Obligation Bonds			
General Obligation bonds, Series 2010(VRA)	2.93	5,030,409	\$ 2,054,705
General Improvement refunding, Series 2012	1.25-4.00	7,224,700	410,300
General improvement, Series 2013	3.00-4.00	8,420,000	3,780,000
General improvement refunding, Series 2014	2.125-5.00	8,864,305	4,480,000
General improvement refunding, Series 2015	2.00-5.00	4,424,331	3,620,661
General Improvement refunding, Series 2016	2.00-5.00	1,754,534	1,418,190
General Improvement, Series 2017	5.00	2,680,000	1,705,000
General Improvement, Series 2018	3.375-5.00	6,125,000	4,270,000
General Improvement, Series 2019	5.00	6,310,000	4,535,000
General Improvement, Series 2020	1.00-2.20	10,545,000	8,950,000
General Improvement, Series 2021	2.00-5.00	8,759,300	7,087,350
General Improvement, Series 2021B	1.08	8,560,000	2,617,628
General Improvement, Series 2022	4.00-5.00	7,650,000	6,880,000
Total			\$ 51,808,834
Compensated absences			359,371
Lease liability			16,153
Net pension liability			8,663,771
Net OPEB liability			930,654
Total*			<u>\$ 61,778,783</u>

*Amounts exclude unamortized premium amounts on bonds.

The Water, Sewer and Stormwater Funds are responsible for \$24,801,874, \$19,191,958, and \$7,815,000 respectively, of the Business-Type Activities bonds payable.

(b) School Board Component Unit

At June 30, 2024, the School Board's long-term liabilities consisted of:

Compensated absences	\$ 2,905,047
Net pension liability	44,630,384
Net OPEB liability	10,133,013
Total	<u>\$ 57,668,444</u>

(c) Changes in Long-Term Liabilities

The following is a summary of the long-term liabilities transactions for the City and component units for the year ended June 30, 2024:

	Balance July 1, 2023	Restatments	Balance Restated	Additions	Reductions	Balance June 30, 2024
Governmental Activities:						
Bonds payable:						
General obligation bonds	\$ 109,397,151	\$ -	\$ 109,397,151	\$ -	\$ 9,866,279	\$ 99,530,872
Unamortized premium	8,592,173	-	8,592,173	-	1,281,484	7,310,689
Total bonds payable	117,989,324	-	117,989,324	-	11,147,763	106,841,561
Insurance claims payable	2,585,356	-	2,585,356	318,969	-	2,904,325
Lease liability	8,957,814	103,158	9,060,972	60,162	1,030,319	8,090,815
Subscription liability	2,025,101	936,931	2,962,032	323,607	905,246	2,380,393
Compensated absences	3,083,644	-	3,083,644	3,302,012	3,083,624	3,302,032
Net pension liability	80,989,462	-	80,989,462	-	3,617,616	77,371,846
Net OPEB liability	18,239,736	-	18,239,736	-	13,311,006	4,928,730
Total governmental activities	<u>\$ 233,870,437</u>	<u>\$ 1,040,089</u>	<u>\$ 234,910,526</u>	<u>\$ 4,004,750</u>	<u>\$ 33,095,574</u>	<u>\$ 205,819,702</u>

**CITY OF CHARLOTTESVILLE, VIRGINIA
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Compensated absences are paid by General Fund, Social Services Fund, and non-major governmental funds responsible for salary costs. Deferred amounts on refunding are reported as deferred outflow of resources or deferred inflow of resources in the governmental activities column on Exhibit A.

Net pension liability and net OPEB liability measurement dates are both June 30, 2023.

Net pension liability and net OPEB liability are paid by the General Fund, Social Services Fund, and non-major governmental funds.

	Balance July 1, 2023	Restatement	Balance Restated	Additions	Reductions	Balance June 30, 2024
Business Type Activities:						
Bonds payable:						
General obligation bonds	\$ 56,608,404	\$ -	\$ 56,608,404	\$ -	\$ 4,661,010	\$ 51,947,394
Unamortized premium	4,672,594	-	4,672,594	-	662,990	4,009,604
Total bonds payable	61,280,998	-	61,280,998	-	5,324,000	55,956,998
Lease liability	65,701	3,265	68,966	3,265	56,078	16,153
Compensated absences	361,038	-	361,038	333,832	335,499	359,371
Net pension liability	9,034,422	-	9,034,422	-	370,651	8,663,771
Net OPEB liability	2,294,467	-	2,294,467	-	1,363,813	930,654
Total Business activities	<u>\$ 73,036,626</u>	<u>\$ 3,265</u>	<u>\$ 73,039,891</u>	<u>\$ 337,097</u>	<u>\$ 7,450,041</u>	<u>\$ 65,926,947</u>

Compensated absences are paid by business-type activities that are responsible for salary costs.

Deferred amounts on refunding are reported as deferred outflow of resources or deferred inflow of resources in the governmental activities column on Exhibit A and E-1.

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Due within one year
School Board:					
Compensated absences	2,504,145	3,280,669	2,879,767	2,905,047	348,606
Net OPEB Liability	11,259,142	-	1,126,129	10,133,013	-
Net pension liability	43,936,611	693,773	-	44,630,384	-
Total	<u>\$ 57,699,898</u>	<u>\$ 3,974,442</u>	<u>\$ 4,005,896</u>	<u>\$ 57,668,444</u>	<u>\$ 348,606</u>

Net pension and OEPB liability measurement date is June 30, 2023.

(d) Debt Compliance and Repayment

The governmental activities general obligation and public improvement bonds are secured by the full faith and credit of the City and are payable from taxes levied on all property located within the City.

The gas, water, sewer and stormwater funds general obligation and public improvement refunding bonds are payable from revenues generated by the facilities constructed from the bond proceeds, although they are also backed by the full faith and credit of the City should the facilities not provide sufficient revenues to meet bond obligations. The City has complied with all significant financial bond covenants.

The City has no overlapping debt with other jurisdictions. At June 30, 2024, the City had a debt limit of \$1,090,103,540 which is 10% of assessed value of real property and a legal debt margin of \$916,971,912.

The annual requirements to amortize to maturity all long-term obligations outstanding of the City, except for compensated absences payable for which the payment dates cannot be estimated are presented on note 9 (g).

(e) General Obligation Public Improvement Bonds

The City did not refund any bond series for this fiscal year.

CITY OF CHARLOTTESVILLE, VIRGINIA
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(f) Prior Year Defeasance of Debt

In prior years, the City defeased general obligation public improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2024, there are no defeased bonds remains outstanding.

(g) Debt Service Requirements to Maturity

General Obligations Bonds

Fiscal Year Ending June 30,	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 9,530,223	\$ 3,663,296	\$ 4,610,655	\$ 1,791,117
2026	8,746,555	3,273,799	4,560,007	1,605,267
2027	8,571,539	2,919,632	4,555,825	1,429,012
2028	7,926,868	2,574,134	4,401,418	1,253,848
2029	7,381,660	2,258,856	4,262,668	1,084,748
2030 - 2034	29,449,027	7,681,556	16,623,261	3,360,618
2035 - 2039	20,240,000	3,237,323	9,935,000	1,221,775
2040 - 2044	7,685,000	594,494	2,860,000	142,800
Total bonds	\$ 99,530,872	\$ 26,203,090	\$ 51,808,834	\$ 11,889,185

Lease Liability

Fiscal Year Ending June 30,	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,038,935	\$ 160,296	\$ 11,600	\$ 235
2026	1,046,604	137,936	1,423	161
2027	1,053,550	115,334	1,372	100
2028	849,530	93,702	1,370	35
2029	649,800	78,773	388	
2030 - 2034	3,452,395	184,718		
Total lease	\$ 8,090,814	\$ 770,759	\$ 16,153	\$ 531

Subscription Liability

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 887,154	\$ 66,810
2026	753,451	39,815
2027	479,283	17,465
2028	216,241	5,909
2029	44,264	722
Total Subscription	\$ 2,380,393	\$ 130,721

10. CITY OF CHARLOTTESVILLE - DEFINED BENEFIT PLAN – FIDUCIARY INFORMATION

Because the City does not issue a separate financial report of the Defined Benefit Pension Plan, the City must report certain information for the plan as of, and for the year ended, June 30, 2022, which is the most recent measurement date for this plan. This information is disclosed below and in Exhibits F-1 and F-2. Investment information is disclosed in Note 3b to the financial statements.

The City's Defined Benefit Plan is a cost sharing plan which includes employees of the City of Charlottesville, the Jefferson-Madison Regional Library (JRML) and the Charlottesville-Albemarle Convention and Visitors Bureau (CACVB). The amounts below are for the plan as a whole.

CITY OF CHARLOTTESVILLE, VIRGINIA
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Plan description. The City administers the Pension Plan, a single employer defined benefit plan for general and public safety employees. The Pension Plan provides retirement and disability benefits to eligible plan members and their beneficiaries. The plan is governed by City Council, as provided in Article II, IV and V of Chapter 19 of the City Code, 1990, as amended, of the City of Charlottesville and is an irrevocable trust fund. City Council may amend benefits and other plan provisions and is responsible for the management of plan assets. The Plan does not provide automatic annual increases (COLA) in benefits. The Pension Plan is considered a part of the City’s Reporting Entity and is included in the City’s financial statements as the Pension Trust Fund (Exhibits F-1 and F-2). There is no separately issued City Supplementary Retirement or Pension Plan report. The Pension Plan covers all regular employees that work at least half time for at least 36 weeks per year. Employer contribution is determined annually based on actuarial valuation data. Plan members are entitled to an annual retirement benefit, payable monthly for life. Public safety employees include sworn police and sheriff officers and fire fighters. Employees hired *before* July 1, 2012, employees hired *on or after* July 1, 2012, and employees hired *on or after* July 1, 2017, have different pension provisions and employee contribution rates as follows:

General Employee Pension Plan – Normal Retirement Benefit			
	Before July 1, 2012	On or after July 1, 2012	On or after July 1, 2017
Normal Retirement Age	Age 65 with 5 years of service	Age 65 with 5 years of service	Age 65 with 5 years of service
Early Retirement Age (1/2% reduction for each month before 30 years as of retirement date)	Age 55 with 5 years of service Age 50 with 30 years of service	Age 60 with 5 years of service Age 60 with 30 years of service	Age 60 with 5 years of service Age 60 with 30 years of service
Vesting	5 years of service	5 years of service	5 years of service
Employee Contribution for Pension and OPEB Plans	1% of base salary	3% of base salary	5% of base salary
Pension Benefit Formula	Average Final Compensation (AFC) x 1.6% x years of creditable service	Average Final Compensation (AFC) x 1.6% x years of creditable service	Average Final Compensation (AFC) x 1.6% x years of creditable service
Years to Calculate AFC	3 years	5 years	5 years

Public Safety Pension Plan – Normal Retirement Benefit			
	Before July 1, 2012	On or after July 1, 2012	On or after July 1, 2017
Normal Retirement Age	Age 60	Age 60	Age 60
Early Retirement Age (1/2% reduction for each month the actual retirement date is less than 30 years)	Age 55 with 5 years of service Age 50 with 25 years of service	Age 55 with 5 years of service Age 50 with 25 years of service	Age 55 with 5 years of service Age 50 with 25 years of service
Vesting	5 years of service	5 years of service	5 years of service
Employee Contribution for Pension and OPEB Plans	1% of base salary	3% of base salary	5% of base salary
Pension Benefit Formula	Average Final Compensation (AFC) x 1.6% x years of creditable service	Average Final Compensation (AFC) x 1.6% x years of creditable service	Average Final Compensation (AFC) x 1.6% x years of creditable service
Years to Calculate AFC	3 years	5 years	5 years
Social Security Supplement	1% of Average Final Compensation (AFC) x years of creditable service paid until Social Security retirement age with 20 years of service. Payable until full retirement age, as in effect on July 1, 2005.	1% of Average Final Compensation (AFC) x years of creditable service with 20 years of hazardous duty service. Supplement amount is limited to estimated unreduced primary social security benefit. Payable until full retirement age, as in effect on July 1, 2005.	1% of Average Final Compensation (AFC) x years of creditable service with 20 years of hazardous duty service. Supplement amount is limited to estimated unreduced primary social security benefit. Payable until full retirement age, as in effect on July 1, 2005.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Membership in the City’s Pension Plan consists of the following at June 30, 2023, according to the most recent actuarial valuation:

	City	JMRL	CACVB
	Members	Members	Members
Retirees and beneficiaries currently receiving benefits	735	48	4
Vested terminated employees	376	11	4
Current employees:			
Vested	414	15	-
Nonvested	237	-	-
Total	<u>1,762</u>	<u>74</u>	<u>8</u>

Contributions. The contribution requirements of plan members and the City are established and may be amended by City Council. Plan members hired before July 1, 2012, are required to contribute 1% of base pay, (annual covered salary) members hired on or after July 1, 2012, must contribute 3% of base pay, and members hired on or after July 1, 2017 must contribute 5% of base pay for the Pension. The City’s contribution rates are actuarially determined and consist of current costs plus amortization of prior service costs. The contribution rates for 2022 are based on the July 1, 2020, actuarial report. The general employee contribution rate for 2023 was 21.06% and the public safety contribution rate was 36.91%.

Actuarial methods and assumptions. The actuarial determined contribution (ADC) for the plan was determined as part of the July 1, 2024, actuarial valuation using the following methods and assumptions:

Method	Assumption
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Amortization period remaining	20 years
Asset valuation method	4-year smoothed market
Investment return, including inflation	7.5%
Projected salary increases	Range 2.0% - 4.0%
Assumed inflation rate	2.0% per annum, compounded annually
Cost of living adjustment, ad hoc	1% per year

Mortality rates. Healthy Lives –RP-2000 table, fully generational, projected with scale AA; Disabled Lives – RP-2000 table, fully generational, projected with scale AA, set forward 5 years for males and females.

Basis of accounting and valuation of investments. The Pension Trust financial statements are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City’s contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with provisions of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the Pension Trust Statement of Net Position date. Securities without an established market value are reported at estimated fair value. The schedule of Defined Benefit Pension Plan investments and annual rate of return are further described in Note 3b.

Net Pension Liability. Under GASB 67, the Net Pension Liability is the excess, if any, of the Total Pension Liability over the Fiduciary Net Position. The Total Pension Liability is determined is as follows:

	June 30, 2024	June 30, 2023
Total Pension Liability	\$ 249,836,159	\$ 234,235,672
Fiduciary Net Position	<u>172,688,294</u>	<u>145,633,425</u>
Net Pension Liability	<u>\$ 77,147,865</u>	<u>\$ 88,602,247</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	69.1%	62.2%

CITY OF CHARLOTTESVILLE, VIRGINIA
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The table below presents the net pension liability for the City calculated using the discount rate of 7.5%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 6.5%	Current Discount Rate: 7.5%	1.00% Higher 8.5%
Net Pension Liability	\$105,432,258	\$77,147,865	\$53,460,001

Long-term expected rate of return. The investment return of the trust fund (i.e. total return including both realized and unrealized gains and losses) based on the market value of assets for the fiscal year ended June 30, 2024 was 11.49%. The investment return on the smoothed value of assets (actuarial value of assets) was 7.50%. The expected rate of return was 7.50%. The actuarial value of net assets, which is used to determine the City's contribution rate for the following fiscal year, is determined using a method that is designed to smooth the impact of market fluctuations. Unlike the market value, which immediately reflects all investment gains and losses during the year, the smoothed fair value recognizes annual appreciation and depreciation over a four-year period. Actual earnings are dividends, interest, or sales of investments, projected, or unrealized returns, are market value of investments.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity:		
Large Cap	30.0%	9.6%
Mid Cap	12.5%	9.8%
Small Cap	7.5%	8.4%
International equity	10.0%	5.8%
Emerging equity	5.0%	7.7%
Real estate	10.0%	4.4%
Farmland	5.0%	9.8%
Fixed income	20.0%	90.0%
Total	100%	11.6%

Pension Trust Fund on June 30, 2024, Combining Statement of Net Position and Statement of Changes in Net Position:

	Retirement Fund	Post-Retirement Benefits Fund	Total Pension Fund
Assets			
Cash and cash equivalents	\$ 9,993,766	\$ 3,678,547	\$ 13,672,313
Interest receivable	335,287	123,414	458,701
Investments			-
Common stocks	56,473,802	20,787,109	77,260,911
Corporate fixed income securities	9,595,043	3,531,783	13,126,826
Government and agency fixed income securities	15,319,815	5,638,981	20,958,796
Mutual Funds			
Domestic	36,937,510	13,596,112	50,533,622
International	20,399,001	7,508,549	27,907,550
Alternative investments			
Agriculture	9,744,798	3,586,906	13,331,704
Real estate	13,934,273	5,128,985	19,063,258
Total investments	162,404,242	59,778,425	222,182,667
Total assets	172,733,295	63,580,386	236,313,681
Liabilities			
Accounts payables	45,003	16,565	61,568
Net Position			
Restricted for pension benefits	172,688,292		172,688,292
Restricted for other post-employment benefits		63,563,821	63,563,821
Total net position	\$ 172,688,292	\$ 63,563,821	\$ 236,252,113

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FOR THE YEAR ENDED JUNE 30, 2024**

	Retirement Fund June 30, 2024	Post-Retirement Benefits Fund June 30, 2024	Total Pension Trust June 30, 2024
ADDITIONS			
Contributions:			
Employer	\$ 25,134,883	\$ 4,166,962	\$ 29,301,845
Plan members	1,377,849	1,013,716	2,391,565
Total contributions	<u>26,512,732</u>	<u>5,180,678</u>	<u>31,693,410</u>
Investment earnings:			
Net increase in fair value of investments	15,378,165	5,812,412	21,190,577
Interest	1,086,157	410,530	1,496,687
Dividends	1,079,758	408,112	1,487,870
Total investment earnings	17,544,080	6,631,054	24,175,134
Less investment expenses	(606,546)	(229,253)	(835,799)
Net investment earnings	<u>16,937,534</u>	<u>6,401,801</u>	<u>23,339,335</u>
Total additions	<u>43,450,266</u>	<u>11,582,479</u>	<u>55,032,745</u>
DEDUCTIONS			
Pension benefits	15,802,528	-	15,802,528
Refund of plan member contributions	307,735	-	307,735
Post retirement benefits	-	4,645,195	4,645,195
Administrative expenses	285,136	115,973	401,109
Total deductions	<u>16,395,399</u>	<u>4,761,168</u>	<u>21,156,567</u>
Change in net position	27,054,867	6,821,311	33,876,178
Net position as of July 1, 2023	<u>145,633,425</u>	<u>56,742,510</u>	<u>202,375,935</u>
Net position as of June 30, 2024	<u>\$ 172,688,292</u>	<u>\$ 63,563,821</u>	<u>\$ 236,252,113</u>

11. CITY OF CHARLOTTESVILLE - NET PENSION LIABILITY

As described in Note 10, the City offers a Defined Pension plan to certain employees. As permitted by GASB 68, the pension-related assets, liabilities and other financial statement elements recorded in the accompanying basic financial statements for June 30, 2024, are based on a pension plan measurement date of June 30, 2023.

Membership in the City's Pension Plan consists of the following on June 30, 2023, the date of the most recent actuarial valuation:

	City Members	JMRL Members	CACVB Members
Retirees and beneficiaries currently receiving benefits	735	48	4
Vested terminated employees	376	11	4
Current employees:			
Vested	414	15	-
Nonvested	237	-	-
Total	<u>1,762</u>	<u>74</u>	<u>8</u>

Contributions. The contribution requirements of plan members and the City are described in Note 10. The contribution rates for 2023 are based on the July 1, 2021, actuarial report. The general employee contribution rate for 2023 was 20.36% and the public safety contribution rate was 38.07%.

Actuarial methods and assumptions. The actuarial determined contribution (ADC) for the plan was determined as part of the July 1, 2019, actuarial valuation using the following methods and assumptions:

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
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<u>Method</u>	<u>Assumption</u>
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Amortization period remaining	20 years
Asset valuation method	4-year smoothed market
Investment return, including inflation	7.5%
Projected salary increases	Range 2.0% - 4.0%
Assumed inflation rate	2.0% per annum, compounded annually
Cost of living adjustment, ad hoc	1% per year

Mortality rates. Healthy Lives –RP-2000 table, fully generational, projected with scale AA; Disabled Lives – RP-2000 table, fully generational, projected with scale AA, set forward 5 years for males and females.

Net pension liability. The City's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The following chart is for the whole plan. The City's portion of the plan is 96.80%.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2022	\$ 225,724,262	\$ 132,515,912	\$ 93,208,350
Changes for the year:			
Service cost	2,383,265	-	2,383,265
Interest	16,363,027	-	16,363,027
Differences between expected and actual experience	5,144,289	-	5,144,289
Contributions - employer	-	13,949,835	(13,949,835)
Contributions - employee	-	1,250,482	(1,250,482)
Net investment income	-	13,567,570	(13,567,570)
Benefit payments, including refunds of employee contributions	(15,379,171)	(15,379,171)	-
Other	-	-	-
Administrative expense	-	(271,203)	271,203
Net Changes	8,511,410	13,117,513	(4,606,103)
Balance at June 30, 2023	<u>\$ 234,235,672</u>	<u>\$ 145,633,425</u>	<u>\$ 88,602,247</u>

Changes in Net Pension Liability per participating entity:

	City Net Pension Liability	JMRL Net Pension Liability	All Entities - Net Pension Liability
Balance as June 30, 2022	\$ 90,023,884	\$ 3,184,466	\$ 93,208,350
Employer contributions	(13,545,739)	(404,096)	(13,949,835)
Expense	13,898,341	12,216	13,910,557
Change in deferred outflows of resources	(6,588,317)	(376,056)	(6,964,373)
Change in deferred inflows of resources	2,247,448	150,100	2,397,548
Balance at June 30, 2022	<u>\$ 86,035,617</u>	<u>\$ 2,566,630</u>	<u>\$ 88,602,247</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The table below presents the net pension liability for the City calculated using the discount rate of 7.5%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 6.5%	Current Discount Rate: 7.5%	1.00% Higher 8.5%
Net Pension Liability	\$111,416,604	\$86,035,617	\$64,757,218

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Information on the annual money-weighted rate of return for 2024 is found in Note 3b and Exhibit I-1.
City Changes in deferred inflows and outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Prior years difference between expected and actual	\$ 15,248,134	\$ 493,966
Prior years changes in proportion and differences between contributions	(1,638,888)	63,405
Prior years impact of change in proportion on beginning NPL	2,685,492	1,124,448
Prior years difference between expected and actual investment earnings	35,482,353	33,914,436
Prior years changes in assumptions	18,248,033	-
Prior years amortization	(37,630,316)	(20,608,463)
Current year amortization	(10,038,791)	(5,132,357)
Differences between expected and actual experience	3,312,356	-
Impact of change in proportion on beginning NPL	484,404	-
Difference between expected and actual investment earnings	-	2,816,722
Changes in assumptions	-	-
Changes in proportion and difference between employer contribution and proportionate share of contribution	(346,286)	68,187
Employer contributions subsequent to the measurement date	24,718,959	-
	<u>\$ 50,525,450</u>	<u>\$ 12,740,344</u>

Deferred outflows of resources amounting to \$24,718,959 resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2025	\$ (3,266,537)
2026	(3,266,537)
2027	(3,266,537)
2027	(3,266,536)
Thereafter:	-
	<u>\$ (13,066,147)</u>

12. CITY OF CHARLOTTESVILLE - DEFINED CONTRIBUTION PENSION PLAN

Effective July 1, 2001, the City established a defined contribution plan (the "DC Plan") for its employees. The DC Plan is administered by ICMA-RC. All eligible employees were given a one-time option to switch from the City of Charlottesville Supplementary Retirement or Pension Plan to the DC Plan. If an employee elected to switch, their benefit was frozen under the Pension Plan. A total of 159 employees elected to participate at the DC Plan's inception. Plan provisions and contribution rates for City and employees are established and may be amended by City Council.

All new hires are given a one-time option to choose either the Pension Plan or the DC Plan when they are hired. Under the DC Plan, the city contribution rate is 8% of the employee's base salary to their individual ICMA-RC account. There is no employee contribution required. Employees determine how their account balance is invested from a range of available options. DC Plan contributions vest ratably over a three-year period. If the employee leaves the city before they are fully vested, part of the account balance may be forfeited. Forfeitures by policy are used to pay plan related expenses. There are no forfeitures reflected in pension expenses during the reporting period and no employer liability is outstanding to ICMA-RC on June 30, 2024.

As of June 30, 2024, there were 395 active City employees and a total of 624 participants, including terminated employees enrolled in the DC Plan. During the year, the City contributed a total of \$1,211,874 for active employees.

There is also a separate defined contribution plan for senior management to which the City contributes. For the year ended June 30, 2024, a total of \$557,560 was contributed for 18 active senior management employees. The City contribution rate is 19.5% of eligible compensation.

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13. CITY OF CHARLOTTESVILLE - OTHER POST EMPLOYMENT BENEFIT (OPEB) FIDUCIARY INFORMATION

Plan description. The City administers the OPEB plan, a single-employer plan that provides medical, dental and life insurance coverage for eligible Defined Benefit Pension Plan members that elect to participate, whether they worked for the City, the Jefferson Madison Regional Library (JMRL), or the Charlottesville Albemarle Convention and Visitors Bureau (CACVB). Vested employees who separate service with the City before pension benefits are received are not eligible for OPEB benefits. The plan is open to new entrants. City Council may amend benefits for current and future retirees and is responsible for the management of the assets. The OPEB Trust is considered a part of the City's Reporting Entity and is included in the City's financial statements as the Pension Trust Fund (Exhibits F-1 and F-2). There is no separately issued City other postemployment benefits report.

OPEB Plan Benefits		
	Before July 1, 2012	On or after July 1, 2012
Medical and Dental coverage	Must have 5 years of creditable service. Under Age 65: Can continue to participate in Health Care Program Over Age 65: Participates in program that provide Medicare Supplementary Insurance and certain wellness benefits	Must have 10 years of creditable service. Under Age 65: Can continue to participate in Health Care Program. Health and dental coverage end at Medicare eligibility age.
Life Insurance	Must have 5 years of creditable service. Two times annual salary reduced. 2% per month until benefit reaches the final annual salary.	Must have 10 years of creditable service. Two times annual salary reduced. 25% per year unit benefit reaches. 50% of final annual salary

Membership in the City's OPEB Plan consists of the following at June 30, 2024, the date of the most recent actuarial valuation:

	City	JMRL	CACVB
Inactive plan members or beneficiaries currently receiving benefit payments	521	48	4
Inactive plan members entitled to but not yet receiving benefit payments	-	-	-
Active plan members	985	105	-
Total	1,506	153	4

Funding policy. The contribution requirements for current and future Pension Plan members are established and may be amended by City Council. The city contribution is determined annually by City Council. Pension Plan members hired before December 3, 2002, received 100% of the city contribution towards the cost of medical and dental insurance. For Pension Plan Members hired on or after December 3, 2002, the city contribution toward the cost of medical and dental insurance is pro-rated based on vesting requirements and years of creditable service. Pension Plan members must pay for family members at their own expense. Surviving spouses of Pension Plan members may elect to continue health care benefits at their own expense. Life insurance is provided at no direct cost to the plan members. Defined Contribution Plan senior management is eligible for the same OPEB benefits as Pension Plan members. Defined Contribution Plan members may be eligible for access to continue medical and dental benefits. The City does not pay any of the costs. The DC Plan member is not eligible for life insurance benefits. The contribution rates for 2024 are based on the July 1, 2022, actuarial report. The general employee contribution rate is 1.82% and the public safety contribution rate is 4.81%.

Actuarial assumptions. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The mortality rates used were: Healthy Lives–RP-2000 table, fully generational, projected with scale AA; Disabled Lives–RP-2000 table, fully generational, projected with scale AA, set forward 5 years for males and females.

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The annual required contribution (ARC) was determined as part of the July 1, 2023, actuarial valuation using the following methods and assumptions:

Method	Assumption
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Amortization period	18 years, closed
Asset valuation method	4 year smoothed market
Investment return including inflation	7.5%
Projected salary increases	Range 2.0% - 5.0%
Assumed inflation rate	2.0%
Cost of living adjustment	None
Healthcare cost trend rate	Medical trend 5.0-8.0% Dental trend 4.0%

Basis of accounting and valuation of investments. The Pension Trust financial statements are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with provisions of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the Pension Trust Statement of Net Position date. Securities without an established market value are reported at estimated fair value. The schedule of Defined Benefit OPEB Plan investments and annual rate of return are further described in Note 3b.

Net OPEB Liability. Under GASB 74, the Net OPEB Liability is the excess, if any, of the Total OPEB Liability over the Fiduciary Net Position. The Total OPEB Liability is determined under the Entry Age actuarial cost method. The Net OPEB Liability as of June 30, 2023 and June 30, 2022 is as follows:

	June 30, 2024	June 30, 2023
Total OPEB Liability	\$ 68,135,421	\$ 62,812,951
Fiduciary Net Position	<u>63,563,821</u>	<u>56,742,510</u>
Net OPEB Liability	<u>\$ 4,571,600</u>	<u>\$ 6,070,441</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	93.29%	90.34%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The liability has been calculated using a 7.5% discount rate. In calculating the Annual Required Contribution, the unfunded liability has been amortized over a period of 25 years (closed) beginning in FY 2016 based on the level percent of payroll method. The table below presents the net OPEB liability for the City calculated using the discount rate of 7.5%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 6.5%	Current Discount Rate: 7.5%	1.00% Higher 8.5%
Net OPEB Liability	<u>\$12,535,157</u>	<u>\$4,571,600</u>	<u>\$(2,108,522)</u>

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates The table below presents the net OPEB liability for the City calculated using the healthcare cost trend rate of 7.5%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 6.5%	Current Trend Rate: 7.5%	1.00% Higher 8.5%
Net OPEB Liability	<u>\$(1,040,343)</u>	<u>\$4,571,600</u>	<u>\$11,212,020</u>

Long-term expected rate of return. The investment return of the trust fund (i.e. total return including both realized and unrealized gains and losses) based on the market value of assets for the fiscal year ended June

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30, 2024 was 11.49%. The investment return on the smoothed value of assets (actuarial value of assets) was 7.50%. The expected rate of return was 7.50%. The actuarial value of net assets, which is used to determine the City's contribution rate for the following fiscal year, is determined using a method that is designed to smooth the impact of market fluctuations. Unlike the market value, which immediately reflects all investment gains and losses during the year, the smoothed fair value recognizes annual appreciation and depreciation over a four-year period.

Asset Class	Allocation	Rate of Return
Domestic equity:		
Large Cap	30.0%	9.6%
Mid Cap	12.5%	9.8%
Small Cap	7.5%	8.4%
International equity	10.0%	5.8%
Emerging equity	5.0%	7.7%
Real estate	10.0%	4.4%
Farmland	5.0%	9.8%
Fixed income	20.0%	0.9%
Total	100.0%	11.6%

14. CITY OF CHARLOTTESVILLE - NET OPEB LIABILITY

As described in Note 13, the City administers the OPEB plan. As permitted by GASB 75, the OPEB related assets, liabilities and other financial statement elements recorded in the accompanying basic financial statements for June 30, 2023, are based on an OPEB plan measurement date of June 30, 2024.

Membership in the City's OPEB Plan consists of the following on June 30, 2023, the date of the most recent actuarial valuation:

	City	JMRL	CACVB
Inactive plan members or beneficiaries currently receiving benefit payments	521	45	5
Inactive plan members entitled to but not yet receiving benefit payments	-	-	-
Active plan members	907	105	-
Total	1,428	150	5

Contributions. The contribution requirements of plan members and the City are described in Note 13. The contribution rates for 2023 are based on the July 1, 2021, actuarial report. The general employee contribution rate for 2023 was 1.83% and the public safety contribution rate was 5.16%.

Actuarial assumptions. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The mortality rates used were: Healthy Lives–RP-2000 table, fully generational, projected with scale AA; Disabled Lives–RP-2000 table, fully generational, projected with scale AA, set forward 5 years for males and females.

The annual required contribution (ARC) was determined as part of the July 1, 2022, actuarial valuation using the following methods and assumptions:

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Method	Assumption
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Amortization period	20 years, closed
Asset valuation method	Market value of assets
Investment return including inflation	7.5%
Projected salary increases	Varies by age and employer group
Assumed inflation rate	2.0%
Cost of living adjustment	None
Healthcare cost trend rate	Medical trend 5.0-8.0%, Dental trend 4.0%

Mortality rates. Healthy Lives –RP-2000 table, fully generational, projected with scale AA; Disabled Lives – RP-2000 table, fully generational, projected with scale AA, set forward 5 years for males and females.

Net OPEB liability. The City’s net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of July 1, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of July 1, 2023. The following chart is for the plan as a whole. The City’s portion of the plan is 96.52%.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balance at June 30,2022	\$ 73,979,596	\$ 52,542,550	\$ 21,437,046
Changes for the year:			
Service cost	1,073,751	-	1,073,751
Interest	5,426,089	-	5,426,089
Difference between expected and actual experience	(12,761,554)	-	(12,761,554)
Changes in assumptions	506,048	-	506,048
Contributions - employer	-	3,380,372	(3,380,372)
Contributions - employee	-	1,014,034	(1,014,034)
Net investment income	-	5,331,098	(5,331,098)
Benefit payments, including refunds of employee contributions	(5,410,979)	(5,410,979)	-
Other	-	(2)	2
Administrative expense	-	(114,563)	114,563
Net Changes	(11,166,645)	4,199,960	(15,366,605)
Balance at June 30, 2023	\$ 62,812,951	\$ 56,742,510	\$ 6,070,441

Changes in Net OPEB Liability per participating entity:

	City Net OPEB Liability	JMRL Net OPEB Liability	Total Net OPEB Liability
Balance as of June 30,2022	\$ 20,534,203	\$ 902,843	\$ 21,437,046
Employer contribution Expense	(3,262,842)	(117,530)	(3,380,372)
Change in deferred outflows of resources	(4,849,084)	(356,940)	(5,206,024)
Change in deferred inflows of resources	(3,277,140)	(210,498)	(3,487,638)
Balance as of June 30, 2023	\$ 5,859,384	\$ 211,057	\$ 6,070,441

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The liability has been calculated using a 7.5% discount rate. In calculating the Annual Required Contribution, the unfunded liability has been amortized over a period of 25 years (closed) beginning in FY 2016 based on the level percent of payroll method. The table below presents the net OPEB liability for the City calculated using the discount rate of 7.5%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 6.5%	Current Discount Rate: 7.5%	1.00% Higher 8.5%
Net OPEB Liability	\$13,103,056	\$5,859,384	\$(195,390)

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Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates The table below presents the net OPEB liability for the City calculated using the healthcare cost trend rate of 7.5%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 6.5%	Current Trend Rate: 7.5%	1.00% Higher 8.5%
Net OPEB Liability	\$728,569	\$5,859,384	\$11,951,623

City Changes in deferred inflows and outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Changes in deferred inflows and outflows:		
Prior years difference between expected and actual	\$ 136,560	\$ 16,394,958
Prior years changes in proportion and differences between contributions	(1,289,700)	(71,827)
Prior years impact of change in proportion on beginning NDL	1,302,249	130,273
Prior years difference between expected and actual investment earnings	10,177,614	9,295,003
Prior years changes in assumptions	2,457,205	-
Prior years amortization	(1,150,662)	(11,714,095)
Current year amortization	(3,692,015)	(6,140,219)
Differences between expected and actual experience	-	8,211,907
Impact of change in proportion on beginning NDL	157,519	-
Difference between expected and actual investment earnings	-	1,106,407
Changes in assumptions	325,635	
Changes in proportion and difference between employer contribution and proportionate share of contribution	(68,279)	107,658
Employer contributions subsequent to measurement date	4,054,882	
	<u>\$ 12,411,008</u>	<u>\$ 17,320,065</u>

Deferred outflows of resources amounting to \$4,054,882 resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Year ending June 30:	
2025	\$ (2,240,985)
2026	(2,240,985)
2027	(2,240,985)
2027	(2,240,984)
Thereafter:	-
	<u>\$ (8,963,939)</u>

15. PENSION LIABILITIES – SCHOOL BOARD

School Board Component Unit – Virginia Retirement System (VRS)

Plan Description. The School Board contributes to the Virginia Retirement System (VRS), a group of qualified defined benefit retirement plans to provide pension benefits for all permanent full-time employees of the School Board. The VRS Plan for employees who are not teachers is an agent-multiple employer defined benefit plan and the VRS Plan for Teachers is a cost-sharing multiple employer defined benefit plan. Both Plans are administered by the Virginia Retirement System (the “System”). The VRS also provided Death and disability benefits. Title 51.1-145 of the *Code of Virginia*, as amended assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

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School Board Teachers Cost Sharing Plan

Plan Description. All full-time, salaried permanent teachers are automatically enrolled in VRS upon employment. Benefits vest after five years of service credit and are eligible to retire with an unreduced or reduced benefit when they meet the age and service requirements of the plan. Members can earn one month of service credit for each month they are employed, and contributions are deposited into the VRS. Members are eligible to purchase prior public service, active-duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

The retirement benefit for teachers who became members before July 1, 2010, and were vested before January 1, 2013 (Plan 1 members) is based on the average of the highest 36 months of compensation as a covered employee. The retirement benefit for teachers who became members after June 30, 2010, or became vested after December 31, 2012 (Plan 2 members) is based on the average of the highest 60 months of compensation as a covered employee. The retirement multiplier for the creditable service purchased or granted before January 1, 2013, for all employees 1.70%. The retirement multiplier for the creditable service purchased or granted after December 31, 2012, for Plan 2 members is 1.65%. The normal retirement age is 65 for Plan 1 members and Normal Social Security Retirement age for Plan 2 members. Plan 1 members must be 65 and have at least 5 years of creditable service, or age 50 with at least 30 years of creditable service to receive unreduced benefits. Plan 2 members must retire at the Normal Social Security Retirement Age with at least 5 years of creditable service or the sum of their age at retirement plus the years of creditable service equals 90 in order to receive an unreduced benefit. Early retirement age for Plan 1 member is 55 with at least 5 years of creditable service, or 50 with at least 10 years of creditable service. Early retirement age for Plan 2 members is 60 with at least 5 years of creditable service. The Cost-of-Living Adjustment (the "COLA") for Plan 1 members matches the first 3% of the Urban Consumers Consumer Price Index plus one half of any excess over 3% up to a maximum COLA of 5%. The COLA for Plan 2 members matches the first 2% with a maximum COLA of 3%.

Contributions. Teachers and employers are required to contribute to the retirement plans as provided by Section 51.1-145 of the *Code of Virginia*, as amended. Teachers are required to contribute 5.0% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.0% teacher contribution may have been assumed by the employer. Beginning July 1, 2012, new teachers were required to pay the 5.0% member contribution. In addition, for existing teachers, employers were required to begin making the teacher pay the member contribution. This could be phased in over a period of five years if the employer provided a salary increase equal to the amount of the increase in the teacher-paid member contribution.

The School Board's contractually required rate for the year ended June 30, 2024 was 16.62% of covered teacher compensation. This rate was based on the actuarially determined rate from an actuarial valuation prepared as of June 30, 2022. This actuarially determined rate, when combined with teacher contributions, was expected to finance the costs of the benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the *Code of Virginia*, as amended, the contributions may be impacted as a result of funding provided to school divisions by the VA General Assembly. Contributions to the pension plan from the School Board were \$7,525,510 and \$6,970,461 for the years ended June 30, 2024 and 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Page 10 of 20 Updated 10/8/2024 Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The School Board's proportionate share is reflected in its financial statements.

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

At June 30, 2024, the School Board reported a liability of \$44,630,384 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on the School Board's actuarially determined employer

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contributions to the Plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating teachers. At June 30, 2024 the School Board’s proportion was 0.44157% as compared to 0.46149% at June 30, 2023.

For the year ended June 30, 2024, the School Board recognized teacher pension expense of \$3,647,448. Since there was a change in the proportionate share between measurement dates, a portion of the pension expense was related to the deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of the employer contributions. Beginning with the June 30, 2023, measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2024 the School Board reported deferred outflows and deferred inflows of resources related to teacher pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
School Board Changes in deferred inflows and outflows:		
Differences between expected and actual experience	\$ 3,833,788	\$ 1,741,668
Net Difference between projected and actual earnings on plan investments	-	2,901,875
Change in assumptions	2,023,252	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	21,820	2,714,137
Employer contributions subsequent to measurement date	7,525,510	-
	<u>\$ 13,404,370</u>	<u>\$ 7,357,680</u>

Deferred outflows of resources amounting to \$7,525,510 related to teachers’ pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows and deferred inflows of resources related to teachers’ pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30:	
2024	\$ (1,695,481)
2025	(3,426,879)
2026	3,104,377
2027	539,163
2028	-
Total	<u>\$ (1,478,820)</u>

Actuarial assumptions. The total pension liability for the teachers’ pension was based on an actuarial valuation as of June 30, 2022, 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, 2023:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation*
Inflation	2.5%
Projected Salary Increases	3.5 – 5.95%

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.

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Beneficiaries and Survivors: Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

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, 2022, valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement health, and disabled)	Updated to PUB2010 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 Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service 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, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 57,574,609
Plan Fiduciary Net Position	47,467,405
Employers' Net Pension Liability (Asset)	<u>\$ 10,107,204</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 82.45%

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

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 expenses 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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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Asset Class	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.0%	6.14%	2.09%
Fixed Income	15.0%	2.56%	38.00%
Credit Strategies	14.0%	5.60%	78.00%
Real Assets	14.0%	5.02%	70.00%
Private Equity	16.0%	9.17%	1.47%
MAPS Multi-Asset Public Strategy	4.0%	4.50%	18.00%
PIP Private Investment Partnership	2.0%	7.18%	14.00%
Cash	1.0%	1.20%	1.00%
Total	100.0%		2.75%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.25%

The above allocation provides a one-year return of 8.25%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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. Through the fiscal year ending June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2023, on, 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 School Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table below presents the proportionate share of the Net Pension Liability for the School Board 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 current rate:

	1.00% Decrease 5.75%	Current Discount Rate: 6.75%	1.00% Increase 7.75%
Teacher Net Pension Liability	\$79,113,753	\$44,630,384	\$16,282,219

Pension Plan Fiduciary Net Position. Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf> , or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

School Board Non-Professional Pension Plan

Plan Description. All full-time, salaried permanent employees, who are not teachers, are automatically enrolled in VRS upon employment. Benefits vest after five years of service credit and are eligible to retire with an unreduced or reduced benefit when they meet the age and service requirements of the plan. Members can earn

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one month of service credit for each month they are employed, and contributions are deposited into the VRS. Members are eligible to purchase prior public service, active-duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

The retirement benefit for employees who became members before July 1, 2010, and were vested before January 1, 2013 (Plan 1 members) is based on the average of the highest 36 consecutive months of compensation as a covered employee. The retirement benefit for employees who became members on or after July 1, 2010, or they were not vested as of January 1, 2013 (Plan 2 members) is based on the average of the highest 60 consecutive months of compensation as a covered employee. The retirement multiplier for the creditable service purchased or granted before January 1, 2013, for Plan 1 members is 1.70%. The retirement multiplier for the creditable service purchased or granted prior to January 1, 2013, for Plan 2 members is 1.65%. The normal retirement age is 65 for Plan 1 members and Normal Social Security Retirement age for Plan 2 members. Plan 1 members must be 65 and have at least 5 years of creditable service, or age 50 with at least 30 years of creditable service to receive unreduced benefits. Plan 2 members must retire at the Normal Social Security Retirement Age with at least 5 years of creditable service or the sum of their age at retirement plus the years of creditable service equals 90 in order to receive an unreduced benefit. Early retirement age for Plan 1 members is 55 with at least 5 years, or age 50 with at least 10 years or creditable service. Early retirement age for Plan 2 members is 60 with at least 5 years of creditable service. The Cost-of-Living Adjustment (the "COLA") for Plan 1 members matches the first 3% increase in the Urban Consumers Consumer Price Index (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. The COLA for Plan 2 members matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.

Employees covered by benefit terms. The following employees were covered by the benefit terms of the Plan as of the June 30, 2022 actuarial valuation:

Inactive members or beneficiaries currently receiving benefits	100
Inactive employees entitled to but not yet receiving benefits	
Retirees and Beneficiaries	56
Vested	15
Non-vested	36
Vested elsewhere	15
Active elsewhere on VRS	14
Total inactive	136
Active employees	59
Total covered employees	195

Contributions. The Contribution requirement for active employees is governed by Section 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 5.0% of their compensation toward their retirement. Prior to July 1, 2012, all, or part of the 5.0% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.0% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the member contribution. This could be phased in over a period of five years if the employer provided a salary increase equal to the amount of the increase in the employee-paid member contribution.

The School Board's contractually required employer contribution rate for the year ended June 30, 2023 was 0% of covered employee compensation. This rate was based on the actuarially determined rate from an actuarial valuation prepared as of June 30, 2021. This rate, when combined with employee contributions, was expected to finance the costs of the 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 Board were \$0 and \$0, for the years ended June 30, 2023 and 2022, respectively.

Net pension liability. The School Board's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed

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as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial assumption. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75%, net if pension plan investment expenses including inflation*
Inflation	2.5%
Projected Salary Increases	3.5 to 5.35%

Mortality rates

Largest 10 – Non-Hazardous Duty: 20% 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 Improvements: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% 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 Improvements: 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, 2022, valuation was based on the results of an actuarial experience study for the period for July 1, 2016, through June 30, 2020, except the changes in the discount rate, which was based on VRS Board action effective as July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, postretirement health, and disabled)	Update to PUB2010 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

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	9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (Pre-retirement, postretirement health, and disabled)	Update to PUB2010 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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rates	No change
Line of Duty Disability	No change

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	Target Allocation	Arithmatic Long-term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.0%	6.14%	2.09%
Fixed Income	15.0%	2.56%	38.00%
Credit Strategies	14.0%	5.60%	78.00%
Real Assets	14.0%	5.02%	70.00%
Private Equity	16.0%	9.17%	1.47%
MAPS Multi-Asset Public Strategy	4.0%	4.50%	18.00%
PIP Private Investment Partnership	2.0%	7.18%	14.00%
Cash	10.0%	1.20%	1.00%
Total	109.0%		5.75%
	Inflation		2.50%
	*Expected arithmetic nominal return		8.75%

The above allocation provides a one-year return of 8.25%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%

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

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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 (asset).

Changes in Net Pension Liability:	Total Pension	Increase (Decrease)	Net Pension
	Liability (a)	Fiduciary Net Position (b)	Liability/(Asset) (a-b)
Balance at June 30, 2022	\$ 10,582,405	\$ 12,641,558	\$ (2,059,153)
Changes for the year:			
Service cost	190,245	-	190,245
Interest	701,404	-	701,404
Differences between expected and actual experience	91,564	-	91,564
Contributions - employee	-	104,384	(104,384)
Net investment income	-	792,619	(792,619)
Benefit payments, including refunds of employee contributions	(762,962)	(762,962)	-
Administrative expense	-	(8,271)	8,271
Other changes	-	(429)	429
Net Changes	220,251	125,341	94,910
Balances at June 30, 2023	\$ 10,802,656	\$ 12,766,899	\$ (1,964,243)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The table below presents the net pension liability for the School Board calculated using the discount rate of 6.75%, as well as what it would be at a discount rate that is one percentage point lower or one percentage point higher.

	1.00% Lower 5.75%	Current Discount Rate: 6.75%	1.00% Higher 7.75%
Net Pension Liability	\$(811,077)	\$(1,964,243)	\$(2,951,736)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2024 the School Board recognized pension expense of \$(204,721). The School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources at June 30, 2024:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Differences between expected and actual experience	\$ 51,580	\$ 1,438
Net Difference between projected and actual earnings on plan investments	663,292	878,676
	<u>\$ 714,872</u>	<u>\$ 880,114</u>

Deferred outflows of resources amounting to \$0 resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows: Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	\$ (111,925)
2026	(244,345)
2027	183,395
2028	7,633
2029	-
Total	<u>\$ (165,242)</u>

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16. CITY SCHOOL BOARD - OTHER POST EMPLOYMENT BENEFIT (OPEB)

School Board Component Unit – Post-Employment Medical Plan Subsidy

Plan Description. The medical plan subsidy covers all full-time employees who have met all requirements of the Virginia Retirement System (VRS) that are eligible for full, unreduced retirement benefit if they have 30 years of service credit and have at least 10 consecutive years in a full-time salaried position as of the date of retirement. The retirees are not eligible for Medicare coverage (age 65) at retirement date. Medical benefit subsidies on or before March 15, 2006, is a monthly benefit fixed at \$250 payable to the earlier of: a) is age 65; b) is 60 monthly payments; and c) is the death of the retiree. Employees who retire after June 30, 2010, and have 10 or more consecutive years of service will receive one of the following annual allotments to assist with paying for individual health insurance with Charlottesville City Schools: Category A: \$4,000 for all full-time employees and Category B: \$2,000 for all part-time employees. Employees who are eligible for full retirement and are not eligible for or who do not choose health insurance coverage will receive a one-time payment of \$5,000 (full-time) or \$2,500 (part-time). There are no life insurance benefits.

Membership in the School’s Local OPEB Plan consists of the following at June 30, 2024, the date of the most recent actuarial valuation:

	<u>Local Plan</u>
Inactive plan members or beneficiaries currently receiving benefit pay	15
Inactive plan members entitled to but not yet receiving benefit paymer	-
Active plan members	840
Total	855

Funding Policy. The School Board is assumed to make contributions to the medical plan equal to the cost of the benefits (claim payments plus administrative fees not covered by the retiree contribution). The plan is funded on a pay-as-you-go basis. Employees make no contributions.

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The mortality rate used for Active Employees and Retirees was Pub-2010 Teachers Employees MP 2021 (Headcount-Weighted).

The following assumptions were used in the most recent actuarial report dated July 1, 2024:

<u>Method</u>	<u>Assumption</u>
Actuarial cost method	Entry Age Actuarial Cost Method
Salary scale	2.50%
Discount rate	3.86%
Investment return	None
Healthcare cost trend rate	5.80% for fiscal year 2023, then 7.50% for fiscal year 2024, declining to ultimate rate of 4.04% in fiscal year 2075

Basis of accounting and valuation of investments. The School's financial statements are prepared on the accrual basis of accounting.

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Net OPEB Liability. Under GASB 74, the Net OPEB Liability is the excess, if any, of the Total OPEB Liability over the Fiduciary Net Position. The Total OPEB Liability is determined under the Entry Age actuarial cost method. The Net OPEB Liability as of June 30, 2023, and June 30, 2022, is as follows:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Total OPEB Liability	\$ 2,326,650	\$ 2,714,395
Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 2,326,650</u>	<u>\$ 2,714,395</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%

At June 30, 2024 the School Board reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow s of Resources</u>	<u>Deferred Inflow s of Resources</u>
Net difference between projected and actual experience	\$ 92,000	\$ (356,072)
Changes in assumptions	152,000	(958,503)
Employer contributions subsequent to the measurement date	275,792	-
	<u>\$ 519,792</u>	<u>\$ (1,314,575)</u>

Deferred outflows of resources amounting to \$275,792 resulting from the contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2025	\$ (124,885)
2026	(124,885)
2027	(124,885)
2028	(124,885)
2029	(124,885)
Thereafter	(446,150)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The liability has been calculated using a 3.86% discount rate. The table below presents the net OPEB liability for the School calculated using the discount rate of 3.86%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 2.86%	Current Discount Rate: 3.86%	1.00% Higher 4.86%
Net OPEB Liability	<u>\$2,489,613</u>	<u>\$2,326,650</u>	<u>\$2,173,150</u>

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates The table below presents the net OPEB liability for the School calculated using the healthcare cost trend rate of 4.04%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 3.04%	Current Trend Rate: 4.04%	1.00% Higher 5.04%
Net OPEB Liability	<u>\$2,200,321</u>	<u>\$2,326,650</u>	<u>\$2,476,116</u>

School Board Component Unit – OPEB Liability – Virginia Retirement System Plans

Plan Descriptions.

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Group Life Insurance Program All full-time teachers and permanent employees of School division are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment. In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB. Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>.

Teacher & Nonprofessional Employee Health Insurance Credit Program All full time, salaried permanent (professional) and nonprofessional employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death. Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>.

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

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

Group Life Insurance Program

Governed by:	Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$257,816 for teachers and \$12,892 for school board nonprofessionals
June 30, 2023 Contribution	\$238,895

Teacher Health and Nonprofessional Insurance Credit Program

Governed by:	Code of Virginia 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% for teachers and 0.93% for school board nonprofessionals.
June 30, 2024 Contribution	\$577,858 for teachers and \$22,202 for school board non professionals
June 30, 2023 Contribution	\$523,901

Actuarial methods and assumptions. Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment rate for GASB purposes of slightly more than the assumed percent above. However, since the difference was minimal, and a more conservative investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be the percent noted above to simplify preparation of OPEB liabilities. Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 15.

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

Method	Assumption
Inflation	2.5%
Salary Increases – General employees	3.5 – 5.35%
Salary Increases – Teachers	3.5 – 5.95%
Investment rate of return – GLI & HIC	6.75% net of plan investment expenses, including inflation

Net OPEB Liability. The net OPEB liabilities represent each program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position.

As of June 30, 2023, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	GLI	HIC Teacher
Total OPEB Liability	\$ 3,907,052	\$ 1,475,471
Fiduciary Net Position	2,707,739	264,054
Net OPEB Liability	<u>\$ 1,199,313</u>	<u>\$ 1,211,417</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	69.30%	17.90%

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

Asset Class	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.0%	6.14%	2.09%
Fixed Income	15.0%	2.56%	0.38%
Credit Strategies	14.0%	5.60%	0.78%
Real Assets	14.0%	5.02%	70.00%
Private Equity	16.0%	9.17%	1.47%
MAPS Multi-Asset Public Strategy	4.0%	4.50%	18.00%
PIP Private Investment Partnership	2.0%	7.18%	14.00%
Cash	1.0%	1.20%	1.00%
Total	<u>100.0%</u>		<u>5.75%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>8.75%</u>

The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.5%. On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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Net OPEB Liability As permitted by GASB 75, the OPEB related assets, liabilities and other financial statement elements recorded in the accompanying basic financial statements for June 30, 2024 are based on a measurement date of June 30, 2023.

	GLI Teacher	GLI - Non	HIC-Prof	HIC - non
Employer's Proportion of the Net GLI/HIC OPEB Liability (Asset)	0.18781%	0.00976%	0.44353%	0.00000%
Employer's Proportionate Share of the Net GLI/HIC OPEB Liability (Asset)	2,252,431	117,053	5,373,000	63,879
Employer's Covered Payroll	47,756,713	2,387,408	47,756,713	2,387,408
Employer's Proportionate Share of the Net GLI/HIC OPEB Liability (Asset) as a Percentage of its Covered	4.72%	4.90%	11.25%	2.68%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.3%	69.3%	17.9%	17.9%

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

At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to GLI and HIC OPEB from the following sources:

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	GLI - Teacher	
	Deferred Outflow s of Resources	Deferred Inflow s of Resources
School Board Changes in deferred inflow s and outflow s:		
Differences between expected and actual experience	\$ 224,963	\$ 68,373
Net Difference between projected and actual earnings on plan investments	-	90,515
Change in assumptions	48,147	156,057
Changes in proportion and difference between employer contributions and proportionate share of contributions	6,028	180,459
Employer contributions subsequent to measurement date	257,816	-
	<u>\$ 536,954</u>	<u>\$ 495,404</u>
	GLI - Non-teacher	
	Deferred Outflow s of Resources	Deferred Inflow s of Resources
School Board Changes in deferred inflow s and outflow s:		
Differences between expected and actual experience	\$ 11,691	\$ 3,553
Net Difference between projected and actual earnings on plan investments	-	4,704
Change in assumptions	2,502	8,110
Changes in proportion and difference between employer contributions and proportionate share of contributions	668	7,910
Employer contributions subsequent to measurement date	12,892	-
	<u>\$ 27,753</u>	<u>\$ 24,277</u>
	HIC - Non-teacher	
	Deferred Outflow s of Resources	Deferred Inflow s of Resources
School Board Changes in deferred inflow s and outflow s:		
Differences between expected and actual experience	\$ -	\$ 121,653
Net Difference between projected and actual earnings on plan investments	392	-
Change in assumptions	10,059	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to measurement date	22,202	-
	<u>\$ 32,653</u>	<u>\$ 121,653</u>
	HIC - Teacher	
	Deferred Outflow s of Resources	Deferred Inflow s of Resources
School Board Changes in deferred inflow s and outflow s:		
Differences between expected and actual experience	\$ -	\$ 236,493
Net Difference between projected and actual earnings on plan investments	2,696	-
Change in assumptions	125,074	5,414
Changes in proportion and difference between employer contributions and proportionate share of contributions	7,577	374,148
Employer contributions subsequent to measurement date	577,858	-
	<u>\$ 713,205</u>	<u>\$ 616,055</u>

The deferred outflows of resources related to GLI and HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

GLI - Teacher		GLI - Non-teacher	
Year Ending June 30:		Year Ending June 30:	
2025	(55,208)	2025	(2,786)
2026	(133,988)	2026	(6,703)
2027	(3,469)	2027	6
2028	(22,297)	2028	(775)
Thereafter:	(1,304)	Thereafter:	842
	<u>(216,266)</u>		<u>(9,416)</u>

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HIC - Teacher		HIC - Non-teacher	
Year Ending June 30:		Year Ending June 30:	
2025	(94,917)	2025	(28,820)
2026	(93,302)	2026	(31,144)
2027	(77,136)	2027	(34,504)
2028	(96,925)	2028	16,734
Thereafter:	<u>(118,428)</u>	Thereafter:	<u>-</u>
	<u>(480,708)</u>		<u>(77,734)</u>

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

	HIC - Teacher Retirement Plan
Total Pension Liability	\$ 1,475,471
Plan Fiduciary Net Position	264,054
Employers' Net Pension Liability (Asset)	<u>\$ 1,211,417</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 17.90%

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the School Board for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2023 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following presents what the GLI and HIC net OPEB liabilities 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 discount rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
GLI Teacher Net OPEB Liability	3,338,806	2,252,431	1,374,089
GLI Non-teacher Net OPEB Liability	173,509	117,053	71,408
HIC Teacher Net OPEB Liability	6,077,463	5,373,000	4,776,028
HIC Non-teacher Net OPEB Liability	73,515	63,879	54,193
	<u>9,663,293</u>	<u>7,806,363</u>	<u>6,275,718</u>

Summary of entity wide Net OPEB Liability:

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GLI Teacher	GLI Non-Teach	HIC Teacher	HIC Non-Teach	Local	Total OPEB Liability
2,252,431	117,053	5,373,000	63,879	2,326,650	10,133,013

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2023 Annual Comprehensive Financial Report (ACFR). A copy of the 2023 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

17. REVENUE SHARING AGREEMENT

An Annexation and Revenue Sharing Agreement dated February 17, 1982, between the City of Charlottesville, Virginia and the County of Albemarle, Virginia was approved in a public referendum on May 18, 1982. The agreement requires the City and County 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 City and County 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 City and County mutually agree to cancel or change the agreement.

During the fiscal year, the County paid \$15,715,740 to the City as a result of this agreement, which is recorded in intergovernmental revenues.

18. JOINT VENTURES

(a) Rivanna Water and Sewer Authority

The City is a participant with the Albemarle County Service Authority (ACSA) in a joint venture to provide water and wastewater treatment services to City residents and residents in certain areas of Albemarle County. The Rivanna Water and Sewer Authority (RWSA) was created for that purpose. RWSA is governed by a seven-member board composed of City Manager, City Director of Public Works, a Charlottesville City Councilor, an Albemarle County Executive, an Albemarle County Supervisor, and the Executive Director of ACSA, as well as a seventh member who is appointed by concurrent action of the City and County. The City and ACSA have agreed to purchase water and wastewater treatment services for all their customers solely from RWSA, at rates established to cover the operating and debt costs of RWSA, until June 30, 2013. Beginning in November of 2015, RWSA began charging each locality a fixed monthly amount to cover the debt portion owed by each locality. For the year ended June 30, 2023, the City paid a total of \$15,397,064 to RWSA. Complete, audited

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financial statements for RWSA can be obtained at their administrative offices at 200 Franklin Street, Charlottesville, Virginia 22902.

(b) Rivanna Solid Waste Authority

The City is a participant with Albemarle County in a joint venture to provide drop off recycling services at the McIntire Recycling Center on McIntire Rd. The City and County also entered into a Cost Sharing Agreement for purposes of paying any of the post-closure care and corrective action costs related to the old Ivy Landfill in the event the Rivanna Solid Waste Authority would not have the financial resources to pay such costs. Although the City entered into a Local Government Guarantee on behalf of the Rivanna Solid Waste Authority, the Virginia Department of Environmental Quality (DEQ) has no legal recourse against the City under this guarantee. The City's percentage of these shared costs is 35.5% of the total. The City share of the local guarantee for the 2021 calendar year and for fiscal year 2024 is \$604,234. Annual certificates must be filed every December 30th to DEQ. Complete, audited financial statements for RSWA can be obtained at their administrative offices at 200 Franklin Street, Charlottesville, Virginia 22902.

(c) Jefferson-Madison Regional Library

The City and several neighboring counties joined together to form a regional library system for the use of their respective residents. The Jefferson-Madison Regional Library (JMRL) is governed by an eleven-member board, four of whom are appointed by the City. The participating localities share the operating costs of JMRL on the basis of the prior year's book circulation. The City contributed \$2,134,657 to JMRL for the year ended June 30, 2024. Complete, audited financial statements for JMRL can be obtained at their administrative offices at 201 East Market Street, Charlottesville, Virginia 22902.

(d) Charlottesville – Albemarle Regional Jail

The City and Albemarle County share the costs of operating a regional jail. The Jail is governed by a seven-member board, three of whom are appointed by the City (with one member being ex-officio), three by the County, and one jointly appointed citizen. Under the terms of the operating agreement, either the City or the County can terminate the contract with sixty days' notice. The City and County share the costs of operating the Jail (net of any reimbursements from the Federal, State and other local governments) on the ratio of City and County prisoner days of utilization for the prior year. Any excesses or deficits are reimbursed after the end of each fiscal year. For the year ended June 30, 2024, the City's share of the costs of the Jail was \$3,768,911. Complete, audited financial statements for the Jail can be obtained at their administrative offices at Avon Street Extended, Charlottesville, Virginia 22902.

(e) Blue Ridge Juvenile Detention Center

The City, with Albemarle, Culpeper, Fluvanna and Greene Counties, share the cost of operating a regional Juvenile Detention Commission per an adopted agreement dated July 1, 1999, and amended July 2, 2007. Commission members are appointed by each participating locality, with not locality appointing a majority of Board members. Under the terms of the operating agreements, the participating governments share the costs of operations and capital based on their respective aggregate percentages of usage during the preceding three years on an annual basis. For the year ended June 30, 2024, the City's share of the costs for the Blue Ridge Juvenile Detention Center (BRJDC) was \$1,150,008. Complete, audited financial statements for the Center can be obtained at the County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

(f) Emergency Communications Center

The City, Albemarle County and the University of Virginia jointly participate in operating a centralized dispatching facility for law enforcement and emergency services. The Emergency Communications Center (the Center) is governed by an eight-member board, three of whom are ex-officio members from the City. The Center operates under the terms of an agreement whereby any participant may discontinue its participation with one year's

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written notice. The operating costs of the Center are shared by the three participants on the basis of population, numbers of calls for service and annual crime statistics. For the year ended June 30, 2024, the City's share of the costs of the Center was \$1,881,923. Complete, audited financial statements for the Center can be obtained at the County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

(g) Charlottesville Albemarle Convention & Visitors Bureau

This is a regional program funded by the City, Albemarle County, Charlottesville Regional Chamber of Commerce and the University of Virginia and revenues generated by the Bureau. Its purpose is to promote tourism in the area. The Bureau is governed by a Management Committee composed of the City Manager, the County Executive, the President of the Charlottesville-Albemarle Chamber of Commerce and one ex-officio, non-voting member from the University of Virginia. The Chamber of Commerce contributes an amount based on its membership dues. The City and the County contributions are based on the year's sales tax and lodging tax for each compared to total. For the year ended June 30, 2024, the City contributed \$1,354,258 to the Bureau.

(h) Darden Towe and Ivy Creek Parks

The City and County jointly own and operate two parks, known as Darden Towe Park and Ivy Creek Nature Center (the Parks). The Parks are governed by a supervisory committee, consisting of two ex-officio members each from the City and County. The operating costs of the Parks are shared between the two based on the average of the populations of the two localities and the relative proportion of park usage by City and County residents. For the year ended June 30, 2024, the City's share of the Parks' operating costs was \$220,739. Complete, audited financial statements for the Parks can be obtained at the County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

19. RELATED ORGANIZATIONS

The City Council is responsible for making appointments for a variety of boards and commissions, some of which are governing boards for agencies that cooperate outside of the authority of city government. These boards include:

Belmont Bridge Steering Committee
Board of Architectural Review
Building Code Board of Appeals
Charlottesville – Albemarle Airport Authority
Charlottesville – Albemarle Airport Commission
Charlottesville – Albemarle Child Services Act Community Policy and Management Team
Charlottesville Economic Development Authority
Charlottesville Redevelopment and Housing Authority
Charlottesville Youth Council
Citizen's Advisory Panel
Citizen's Transportation Advisory Committee
Community Development Block Grant Task Force
Housing Advisory Committee
Human Rights Commission
JAUNT (Jefferson Area United Transportation Board)
Jefferson Area Board of Aging Advisory Council (JABA)
Jefferson Area Board of Aging-Board of Directors (JABA)

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Jefferson Area Community Criminal Justice Board
 Metropolitan Planning Organization Policy Board
 Monticello Area Community Action Agency Board (MACAA)
 Parks and Recreation Advisory Committee
 Personnel Appeals Board
 Piedmont Virginia Community College Board
 Planning Commission/Entrance Corridor Review Board
 PLACE Design Task Force
 Region Ten Community Services Board
 Regional Disability Service Board
 Retirement Commission
 Rivanna Solid Waste Authority
 Rivanna Water and Sewer Authority
 Sister Cities Commission
 Social Services Advisory Board
 Streets That Work / Code Audit Steering Committee
 Thomas Jefferson Planning District Commission
 Towing Advisory Board
 Tree Commission
 Vendor Appeals Board
 Water Resources Protection Program Advisory Committee

20. RISK MANAGEMENT

The Risk Management Fund reports liabilities for claims when it is probable that a loss has been incurred, and also includes independent estimates for claims that have been incurred but not reported. Since these claims are estimates based on currently available information, they are reviewed periodically, and the reported liabilities are revised as necessary. The net position balance of \$12,200,972 at June 30, 2023, is a reserve for future extraordinary claims.

Major risks retained by the City include:

- Worker's compensation - \$750,000 per claim for police and fire employees and \$250,000 for all other employees.
- Employee medical care - \$150,000 per participant per year.
- Other insurance policies have deductibles of \$25,000 or less per occurrence.
- The following is a reconciliation between the current and prior years' claims liabilities:

	<u>2023-2024</u>	<u>2022-2023</u>
Accrued claims, July 2023	\$ 2,585,356	\$ 2,694,246
Claims incurred during the current fiscal year		
including changed in estimated claims payable	\$ 21,625,607	\$ 17,206,309
Less payments on claims	<u>\$ (21,305,406)</u>	<u>\$ (17,315,199)</u>
Accrued claims, July 2024	<u>\$ 2,905,557</u>	<u>\$ 2,585,356</u>
Claims or judgements due within one year	\$ 2,371,036	\$ 2,404,217
Claims or judgements due in more than one year	\$ 534,521	\$ 181,139
	<u>\$ 2,905,557</u>	<u>\$ 2,585,356</u>

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Public employee dishonesty insurance is provided by the Virginia Risk Sharing Association for \$1,000,000 per employee. The policy includes coverage for employee theft and/or dishonesty, including but not limited to forgery, and loss of property, money, and securities. Coverage is for all employees of the City of Charlottesville.

The City has comprehensive cyber liability coverage including a number of risks such as security breaches, system failures, data recovery, and cyber extortion.

During the normal course of business, the City and its employees have been named as defendants in claims for personal injuries, property damage and specific performances which are being defended by the City Attorney and associated counsel. It is the opinion of the City Attorney that the resolution of such litigation will not involve a substantial liability to the City, other than what is already accrued in the government-wide financial statements.

21. CONTINGENCIES

The City and School Board have received a number of Federal and State grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City and School Board's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time. In the opinion of management, any further disallowances of current grant program expenditures, if any, would be immaterial.

22. NET POSITION DEFICIT

The Charlottesville School Board had a net position deficit of \$4,835,290 June 30, 2024. This deficit is due to the long-term net pension and OPEB liabilities.

23. MAJOR UTILITY CUSTOMER IN FISCAL YEAR 2024

The City has one major water and gas customer, the University of Virginia. For the current year, water, wastewater, and gas revenue from this customer was \$4,367,100, 5,003,667, and \$5,356,135, respectively, which represents 26.55% of water revenue, 30.01% of wastewater revenue, and 21.15% of gas revenue.

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24. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At June 30, 2024, the City had several construction contracts and other commitments which are summarized as follows:

Project Name	Contract Amount	Expended to Date	Balance
Buford Walker	\$ 91,813,410	\$ 33,276,087	\$ 58,537,323
Belmont Bridge	58,308,429	55,399,573	2,908,856
HB2 - Emmet Street	16,298,307	2,868,402	13,429,905
HB2 - Fontaine Ave	13,266,414	1,189,232	12,077,182
Bypass Fire Station	9,274,861	3,576,527	5,698,334
SMART Scale Barracks Road/Emmet Street	8,640,866	934,730	7,706,136
General District Court	6,862,028	6,838,028	24,000
HB2 - East High	6,638,000	1,406,091	5,231,909
CHS Roof Replacement	3,798,564	2,954,730	843,834
250 Bypass/NS Railroad - SGR	3,681,786	3,526,190	155,596
Friendship Court Infrastructure	3,540,000	1,540,000	2,000,000
Melbourne/NS Railroad -SGR	2,661,556	2,611,791	49,765
250 Bypass/Route 29 Business	2,466,885	2,412,954	53,931
NDS Permit Tracking Software Replacement	1,637,881	1,004,813	633,068
250 Bypass/NS Railroad - SGR	1,269,741	966,293	303,448
FY 2024 - Water Project	3,302,405	3,302,405	-
FY 2024 - Sewer Line Project	2,386,235	2,386,235	-
FY 2024 - Storm Water Project	1,192,688	1,192,688	-
Schenks Branch Stream Restoration Construction	824,656	824,656	-
FY 2023 - Gas Lines Project	450,873	450,873	-
	\$ 238,315,585	\$ 128,662,298	\$ 109,653,287

25. TAX ABATEMENTS

The Charlottesville Economic Development Authority (CEDA), a component unit, entered into the following agreement in which the authority will issue performance grants to the following entities in an effort to generate jobs and increase commercial real estate revenue to the City of Charlottesville, the primary government. Annually, the City will transfer to the CEDA an amount equal to 50% of the incremental increase in real estate revenue generated by the projects referenced in the agreement. These transfers are made only if the performance criteria have been met as determined by the CEDA, and there are no provisions for recapturing these abatements by the City.

These incentives were made with the following entity for the number years and the minimum performance measures indicated:

Agreement Date	Length of Agreement (Years)	Agreement Entity	Minimum Number of Jobs to be Created	Minimum Increase in Real Estate Value
June 2, 2011	10	459 Locust Charlottesville LLC/CFA Institute	400	\$40 Million

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In the fiscal year ended below, the City transferred to the CEDA based on this agreement the following amounts:

Fiscal Year	Amount
2015	\$ 267,000
2016	\$ 78,800
2017	\$ 342,936
2018	\$ 220,483
2019	\$ 343,422
2020	\$ 242,183
2021	\$ 267,944
2022	\$ 291,473
2023	\$ 148,467
2024	\$ 232,865
	<u>\$ 2,435,573</u>

To date, this agreement has generated 433 jobs and added \$60 million in real estate value within the City.

26. COVID-19 PANDEMIC FUNDING

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The federal government passed legislation to mitigate the economy impact of the pandemic. As a result of this legislation, the City received the following awards beginning in the spring of 2020 through FY2023. The awards have been expended as follows:

	Amount Awarded	Expended Prior Year	Expended July 2023 - June 2024	Available in Future Fiscal Years
Direct Federal Aid:				
American Rescue Plan Act - for the City	\$ 19,609,709	\$ 6,899,649	\$ 6,158,107	\$ 6,551,953
Federal Transportation Agency - for JAUNT	3,119,715	2,163,442		956,273
Federal Transportation Agency - for Transit	9,359,143	7,178,478	260,419	1,920,246
Health and Human Services - for EMS	58,201	58,201	-	-
Housing and Urban Developments - for CDBG	581,401	436,817	48,900	95,684
U.S. Department of Justice - BJA	80,781	80,781	-	-
Federal Aid Passed Through the State:				
Department of Justice Services - Law Enforcement	375,623	-	375,623	-
Housing and Community Development - Homeless	2,493,060	2,476,423	16,637	-
Rail and Public Transportation - for Transit	221,227	221,227	-	-
Treasurer of Virginia - CARES Act for City Schools	2,409,620	2,409,620	-	-
Treasurer of Virginia - CARES Act for the City	8,311,781	8,311,781	-	-
Treasurer of Virginia - Utility Customer Relief	213,703	213,703	-	-
Total	<u>\$ 46,833,964</u>	<u>\$ 30,450,122</u>	<u>\$ 6,859,686</u>	<u>\$ 9,524,156</u>

27. LEASES

The City reviewed its outstanding lease agreements to determine application of this standard to its existing agreements both Lessee and Lessor. A total of ten building space Lessor leases and sixty - two copier, one equipment, and two building space Lessee leases were determined to meet this standard. All leases, however, were reviewed according to the standards of GASB Statement 87. All leases were then applied to the principles of the

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present value based on the applicable lease term at a determined interest rate. The lease terms were evaluated by the options presented in the lease agreement with any extensions considered, if it was reasonably certain they would be extended. None of the leases had an interest rate explicitly shown in the lease agreement. For Lessor leases, the lease receivable was debited and the deferred inflow for these leases were credited. For Lessee leases, the lease asset was debited, and the lease liability was credited. Details of each lease type is discussed in the note for leases, below.

Lessor Leases

The City has leased 10 of its properties as shown on the schedule below. The longest lease term has a period of 120 months, as opposed to the shortest at 12 months. The leases were recorded at the applicable federal rate, which was determined to be the best estimate of interest earnings when no interest rate was explicitly shown in the lease document. The City applied short, median, and long-term rates as determined by the applicable federal rate on lease beginning date. On June 30, 2024, the City has a lease receivable of \$734,326. Below is a schedule of leases receivable for future fiscal years per their respective lease term:

City Lessor Leases of Building Space						
Lease Asset Description	Begin Date	End Date	Monthly Payment	Months	Lease Value	Interest Rate
Virginia Discovery Museum	Jul 1, 2021	Jul 1, 2026	\$ 345	60	\$ 8,197	1.00%
United States Postal Service	Jul 1, 2021	Jun 1, 2028	7,650	83	345,072	2.07%
Mr. Fix Cell Phone & Computer Repair	Feb 1, 2023	Feb 1, 2028	1,710	60	44,140	3.82%
1074 Square feet of net useable ground floor space	Feb 1, 2023	Feb 1, 2028	1,710	60	68,628	3.82%
Albemarle Charlottesville Historical Society - Renewed	May 1, 2023	May 1, 2028	904	60	38,825	3.57%
MCGUFFEY Arts Associations INC	Jan 1, 2023	Jan 1, 2028	2,753	60	108,025	3.85%
Soccer Organization of Charlottesville Area Inc	Apr 1, 2023	Apr 1, 2033	1,095	120	96,792	4.02%
Sentara Martha Jefferson Hospital - Renewed	Jan 1, 2024	Jan 1, 2025	4,168	12	24,646	5.00%
					<u>\$ 734,325</u>	

Schedule Of Lease Receivables at Fiscal Year End			
Fiscal Year	Principal	Interest	Lease Receivable 06/30
2025	201,919	18,001	532,407
2026	181,906	13,007	350,501
2027	162,806	8,333	187,695
2028	130,965	3,859	56,730
2029	11,061	2,078	45,669
2030	11,514	1,625	34,155
2031	11,986	1,154	22,169
2032	12,477	663	9,692
2033	9,692	163	-
	<u>\$ 734,326</u>	<u>\$ 48,883</u>	

Lessee Leases

The City has also procured leases for Copiers, Equipment and Building Spaces needed for various operations. A schedule of these leases is shown below. The longest lease term has a period of 156 months while the shortest lease term was for 12 months from the lease beginning date. The leases were recorded at the applicable federal rate at the lease beginning date, which was determined to be the best estimate of the incremental borrowing rate when no interest rate was shown on the face of the lease document. The federal rate used was based on the short, medium, and long term based on the lease term. The copier interest rate was determined to be the present value of the lease payments as opposed to the copier purchase price at lease inception.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

On June 30, 2024, the liability of the leases outstanding was \$8,090,814. Below are the details of these leases and their future liability:

Lease Liability by Lease Asset Class				Lease Liability at Fiscal Year End			
Year	Building	Copier	Total	Year	Principle	Interest	Total At 6/30
2025	969,008	69,927	1,038,935	2025	1,038,935	160,296	7,051,879
2026	989,258	57,346	1,046,604	2026	1,046,604	137,936	6,005,275
2027	1,009,931	43,619	1,053,550	2027	1,053,550	115,334	4,951,725
2028	832,187	17,343	849,530	2028	849,530	93,702	4,102,195
2029	648,661	1,139	649,800	2029	649,800	78,773	3,452,395
2030	662,217	-	662,217	2030	662,217	65,205	2,790,178
2031	676,056	-	676,056	2031	676,056	51,367	2,114,122
2032	690,183	-	690,183	2032	690,183	37,239	1,423,939
2033	704,607	-	704,607	2033	704,607	22,816	7,19,332
2034	719,332	-	719,332	2034	719,332	8,091	-
	<u>\$7,901,440</u>	<u>\$189,374</u>	<u>\$ 8,090,814</u>		<u>\$ 8,090,814</u>	<u>\$ 770,759</u>	

Lease Liability By Lease Asset Class - Business Type			
Year	Equipment	Photocopier	Total
2025	\$9,019	\$2,581	\$11,600
2026		1,423	1,423
2027		1,372	1,372
2028		1,370	1,370
2029		388	388
	<u>\$9,019</u>	<u>\$7,134</u>	<u>\$16,153</u>

Schedule of Lease Liability at Fiscal Year End - Business Type			
Year	Principal	Interest	Total at 6/30
2025	11,600	235	4,553
2026	1,423	161	3,130
2027	1,372	100	1,758
2028	1,370	35	388
2029	388	1	
	<u>\$16,153</u>	<u>\$532</u>	

City Lessee Leases Of Photocopier Machines & Building Space - Government Type							
Asset Description	Asset Class	Begin Date	End Date	Term (Months)	Monthly Payment	Lease Value	Interest Rate
City Treasurer	Copier	Jul 1, 2021	Aug 21, 2024	37	110.00	110	1%
Commonwealth Attorney	Copier	Jul 1, 2021	Jun 17, 2025	47	176.00	1,922	1%
Public Works/School Maintenance	Copier	Jul 1, 2021	Mar 10, 2025	44	112.00	886	2%
Human Resources Department	Copier	Jul 1, 2021	Oct 19, 2025	51	208.00	3,099	1%
City Attorney's Office	Copier	Jul 1, 2021	Nov 4, 2024	40	195.00	779	1%
City Manager's Office	Copier	Jul 1, 2021	Mar 1, 2025	44	245.00	1,953	1%
City Treasurer	Copier	Jul 1, 2021	Apr 14, 2025	45	119.00	1,065	2%
City Treasurer	Copier	Jul 1, 2021	Apr 29, 2025	45	95.00	852	2%
Finance - Administration	Copier	Jul 1, 2021	May 5, 2025	46	125.00	1,241	2%
Parks and Recreation Administration	Copier	Oct 1, 2021	Oct 1, 2026	60	218.00	5,767	2%
View Administration	Copier	Jan 25, 2022	Jan 24, 2026	48	106.00	1,884	2%
Aquatics	Copier	Nov 9, 2021	Nov 8, 2026	60	75.00	2,089	0%
Office of Equity and Inclusion	Copier	Apr 1, 2023	Apr 1, 2028	60	72.00	2,999	4%
Home to Hope	Copier	Apr 1, 2023	Apr 1, 2028	60	72.00	2,998	4%
Downtown Job Center	Copier	Apr 1, 2023	Apr 1, 2028	60	72.00	2,998	4%
Office of Human Rights	Copier	Apr 1, 2023	Apr 1, 2028	60	72.00	2,998	4%
Equip Rep City Sheriff	Copier	Dec 1, 2022	Dec 1, 2025	36	149.00	2,452	5%
Fire Administration	Copier	Apr 17, 2023	Apr 17, 2027	48	115.00	3,592	4%
Fire Administration	Copier	Apr 17, 2023	Apr 17, 2027	48	126.00	3,920	4%
IT Operations	Copier	May 28, 2023	May 28, 2027	48	139.00	4,479	4%
Circuit Court Judge	Copier	May 16, 2023	May 16, 2027	48	103.00	3,338	4%

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Transit Maintenance	Copier	Apr 9, 2023	Apr 9, 2027	48	138.00	4,304	4%
Transit Administration	Copier	Mar 9, 2023	Mar 9, 2027	48	198.00	6,024	4%
Circuit Court Administrator	Copier	Nov 20, 2023	Nov 20, 2024	12	134.00	533	4%
Circuit Court	Copier	Nov 20, 2023	Nov 20, 2024	12	134.00	532	5%
Voter Registration	Copier	Apr 4, 2023	Apr 4, 2027	48	237.00	7,616	2%
Fire Department	Copier	Apr 17, 2023	Apr 17, 2027	48	126.00	4,045	2%
Neighborhood Development Services	Copier	Apr 10, 2023	Apr 10, 2027	48	231.00	7,418	2%
Neighbor Development Services	Copier	Apr 10, 2023	Apr 10, 2027	48	153.00	4,905	2%
Streets and Sidewalks	Copier	Feb 28, 2024	Feb 28, 2028	48	66.00	2,740	2%
Public Works Administration	Copier	Feb 28, 2024	Feb 28, 2028	48	66.00	2,740	2%
Social Services 2nd Floor	Copier	Aug 19, 2022	Aug 19, 2026	48	108.00	2,637	2%
Department of Social Services	Copier	Nov 8, 2022	Nov 8, 2026	48	153.00	4,188	2%
DSS 2nd floor	Copier	Nov 8, 2022	Nov 8, 2026	48	66.00	1,799	2%
Department of Social Services	Copier	Nov 8, 2022	Nov 8, 2026	48	66.00	1,800	2%
Parks Administration	Copier	Jun 2, 2022	Jun 2, 2026	48	157.00	3,540	2%
Police Admin	Copier	Dec 19, 2022	Dec 18, 2025	36	149.00	2,466	4%
General District Court	Copier	Apr 27, 2023	Apr 27, 2027	48	167.00	5,354	2%
Fleet Maintenance Operations	Copier	Apr 27, 2023	Apr 27, 2028	60	98.00	4,357	1%
Juvenile and Domestic Relations Court	Copier	Dec 1, 2023	Dec 1, 2027	48	121.00	4,787	2%
Real Estate Assessor	Copier	Dec 1, 2023	Dec 1, 2027	48	126.00	4,994	2%
Police Support Services	Copier	Feb 8, 2024	Feb 8, 2028	48	134.00	5,582	2%
Police Field Operations	Copier	Feb 8, 2024	Feb 8, 2028	48	86.00	3,588	2%
Key Rec Center	Copier	Jun 1, 2023	Jun 1, 2028	60	67.00	2,700	8%
Police Civilian Review Board	Copier	Aug 1, 2023	Aug 1, 2028	60	288.00	12,650	5%
Office Of Magistrate	Copier	Feb 1, 2023	Feb 1, 2028	60	96.00	3,507	9%
Community Solutions	Copier	Oct 1, 2023	Oct 1, 2028	60	288.00	12,423	8%
Community Attention Foster Families	Copier	Nov 1, 2022	Nov 1, 2027	60	93.00	3,335	6%
Human Services Administration	Copier	Nov 1, 2022	Nov 1, 2027	60	84.00	3,012	6%
Human Services Administration	Copier	Nov 1, 2022	Nov 1, 2027	60	176.00	6,347	6%
Community Attention Foster Families	Copier	Nov 1, 2022	Nov 1, 2027	60	113.00	4,050	6%
Community Based Programming	Copier	Nov 1, 2022	Nov 1, 2027	60	113.00	3,980	7%
Total Photocopier Machines						189,374	
200 East Water Street (The Garage)	Building	Jul 1, 2021	Jul 1, 2034	156	60,619.00	6,565,612	2%
Jefferson School Community	Building	Jul 1, 2021	Jan 1, 2028	78	32,999.00	1,335,828	2%
Total Building Space						7,901,440	
Total Government Type Lessee Leases						<u>\$8,090,814</u>	

City Lessee Leases of Photocopier Machines & Equipment - Business Type							
Lease Asset Description	Type	Lease Begin Date	Lease End Date	Term (Months)	Monthly Payment	Lease Value	Interest Rate
Meadowcreek Golf Course	Copier	6/1/2023	6/1/2028	60	67	\$2,700	8%
Utility Billing Office	Copier	2/8/2024	2/8/2029	60	56	2,998	1%
Gas General Operations	Copier	7/1/2021	8/26/2025	49	56	718	1%
Water Division Operations	Copier	7/1/2021	8/26/2025	49	28	359	1%
Wastewater Collection	Copier	7/1/2021	8/26/2025	49	28	359	1%
Total Photocopier Machines	Copier					\$7,135	
Golf Maintenance Equipment	Equipment	7/1/2021	9/4/2024	38	4,515	9,018	1%
Total Equipment						\$9,018	
Total Business Type Lessee Leases						<u>\$16,153</u>	

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

28. SUBSCRIPTION BASED IT ARRANGEMENTS (SBITA)

A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period in an exchange or exchange-like transaction. The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets.

In the process of adopting GASB Statement 96, the City undertook a comprehensive review of its existing agreements to determine the applicability of this standard to the contractual relationships between the service providers and the city. In total, twenty IT-based agreements with vendors were identified as meeting the criteria for GASB 96 implementation. Each agreement was assessed with respect to the principles of present value, based on the applicable agreement term and a specified interest rate.

The terms of the agreements were scrutinized, considering any options outlined in the agreements and the potential for extensions if they were reasonably certain. In cases where the agreement did not explicitly specify an interest rate, the applicable federal discount rate was used. This evaluation resulted in the debiting of the SBITA asset and the crediting of the SBITA liability.

The city currently holds 20 subscription-based agreements with vendors that have qualified for GASB 96 implementation. These agreements vary in duration, with the longest one spanning 60 months, while the shortest lasts for 18 months from the beginning of the fiscal year. The remaining asset value is \$3,285,640. These contracts were initially recorded using the applicable federal rate, which was determined to be the best estimate of applicable federal discount rate when no explicit interest rate was specified in the agreement document. The city applied short, median, and long-term rates as determined by the applicable federal rate. As of June 30, 2024, the city's SBITA Value stands at \$2,380,393. Below, you can find a schedule of SBITA assets for future fiscal years, categorized according to their respective agreement terms.

List Of Subscription Based Information Technology Software Agreements						
SBITA Description	Beginning Date	Ending Date	Term (Months)	Monthly Payment	SBITA Value	SBITA Interest Percentage
Citizen Relationship Management	7/1/2022	3/19/2027	56	\$ 956	\$ 29,367	2.99%
Budgeting Software	8/29/2022	8/28/2027	60	4,438	156,689	2.99%
Strategic Planning Software	7/1/2022	8/23/2025	37	2,083	26,617	2.99%
Benefit Enrollment Portal	7/1/2022	5/2/2025	34	3,954	39,008	2.99%
Cloud Based Office Productivity	7/1/2022	11/30/26	53	32,075	896,285	2.99%
Cyber Security Training	7/1/2022	5/21/2025	34	1,104	10,886	2.99%
Electronic Signature Service	7/1/2022	9/30/2025	39	2,903	42,694	2.99%
Email Filtering Service	7/1/2022	8/29/2024	25	4,937	4,924	2.99%
SAP Data and Entry software	10/1/2022	9/30/2027	60	1,425	52,897	2.99%
Civic Clerk Software - Mayor	7/1/2022	2/26/2026	43	884	16,387	2.99%
Civic Clerk Software - Communication	7/1/2022	2/26/2026	43	774	14,338	2.99%
Neo Gov Perform Subscription	7/1/2022	9/29/2026	38	2,560	64,360	2.99%
Govt Question Answer FOI Software	7/1/2022	7/1/2025	36	1,314	15,510	2.99%
Software for Vendor Management	3/4/20023	3/4/2027	48	375	11,410	3.70%
SAP Critical Success Factor	5/29/2023	5/29/2028	60	14,026	602,171	3.57%
Debt Management Software	12/18/2023	12/18/2026	36	1,751	47,597	5.26%
Online Learning Management System	1/1/2024	1/10/2029	60	3,998	195,660	4.37%
Neighborly Software	5/3/2024	5/3/2029	60	2,100	109,488	4.42%
Geographical Information System Technology	9/1/2022	9/1/2025	36	3,208	44,105	2.93%
				Total SBITA	\$ 2,380,393	

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Schedule Of SBITA Liability at Fiscal Year End			
Fiscal Year	Principal	Interest	Liability at 06/30
2025	\$ 887,153	\$ 66,810	\$ 1,493,240
2026	753,451	39,815	739,788
2027	479,283	17,465	260,505
2028	216,241	5,909	44,265
2029	44,265	722	
	<u>\$ 2,380,393</u>	<u>\$ 130,721</u>	

29. ADOPTION OF ACCOUNTING PRINCIPLE GASB STATEMENT 100 ACCOUNTING CHANGES AND ERROR CORRECTIONS JULY 1, 2023

The purpose of GASB Statement 100 is to enhance 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. An accounting change is defined as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. This Statement also addresses corrections of errors in previously issued financial statements. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

In the process of adopting GASB Statement 100, the City undertook a comprehensive review of its existing accounting policies, accounting estimates, and changes to the financial entity to determine the applicability of this standard. The City determined that no changes in accounting principles, changes in accounting estimates, or changes to/within the financial reporting entity occurred in FY2024.

The City did find in total 5 errors in the previously reported financial statements that required correction. There were omissions in the prior year's Lease and SBITA calculations as well as errors in the recognition of assets. The specifics can be found in Note 30.

As a result of the error corrections, restatements of beginning net position, fund balance, or fund net position were made to the financial statements. In addition, care was taken to ensure that these errors would not occur again.

30. ACCOUNTING CHANGES AND ERROR CORRECTIONS

An error occurred where leases were not discovered for FY23 that should have been. The effect on the omitted leases caused net Governmental Lease assets to be understated by 115,98, Governmental lease liabilities to be understated by 103,159, Governmental Activities Net Position to be understated by 12,824. Furthermore, a portion of the net 12,824 occurred in internal service funds which caused the internal service net position to be understated by 910. Additionally, the leases cause business type net lease assets to be understated by 3,255, business type lease liabilities to be understated by 3,266, and Business Type Activities Net Position to be overstated by 11. These corrections required restatement of FY24's beginning balances where appropriate. The Following Exhibits in the Notes show the restatements: Exhibit B, Exhibit E-2, Exhibit G-1, Exhibit L-2, Note 8, Note 9.

An error occurred where a lessor lease was not discovered for FY23 that should have been. The effect on the omitted lease caused General Fund balance to be understated by 64,181 and Governmental Activities Net Position to be understated by 64,181. The Following Exhibits show the restatements: Exhibit B, Exhibit E-2, Exhibit G-1.

**CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

An error occurred where SBITAs were not discovered for FY23 that should have been. The effect on the omitted SBITA contracts caused Governmental Subscription assets to be understated by 871,765, Governmental Subscription liabilities to be understated by 936,931, Governmental Activities Net Position to be overstated by 65,166. These corrections required restatement of FY24’s beginning balances where appropriate. The Following Exhibits and Notes show the restatements: Exhibit B, Exhibit E-2, Exhibit G-1 Note 8, Note 9.

An error occurred where a donated vehicle was not discovered in FY23 that should have been. The effect of the omitted vehicle caused General Fund balance to be understated by 76,512 and Governmental Activities Net Position to be understated by 76,512 these corrections required restatement of FY24’s beginning balances where appropriate. The Following Exhibits and Notes show the restatements: Exhibit B, Exhibit E-2, Exhibit G-1 Note 8.

An error occurred where several vehicles that was not put into service until FY24 had expenses incorrectly accrued in FY23. The effect on the improper expense accrual caused General Fund balance to be understated by 3,128,032 and Governmental Activities Net Position to be understated by 3,128,032 these corrections required restatement of FY24’s beginning balances where appropriate. The Following Exhibits in the Notes show the restatements: Exhibit B, Exhibit E-2, Exhibit G-1 Exhibit K and Exhibit K-5.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
	Funds		Government-wide	
	General Fund	Other Governmental Funds	Governmental Activities	Business Type Activities
6/30/2023, As previously Reported	72,147,911	54,608,558	232,349,921	66,437,077
Error Correction- Lease			12,824	(11)
Error Correction- Lease Receivable	64,181		64,181	
Error Correction- SBITA			(65,166)	
Error Correction	76,512	3,128,033	3,204,545	
6/30/2023, As Restated	72,288,604	57,736,591	235,566,305	66,437,066

31. SUBSEQUENT EVENTS- BOND ISSUANCE

The City issued \$56,875,000 in General Obligation Public Improvement Bonds, Series 2024 (Tax-Exempt) via competitive sale on August 6, 2024. The issue was rated “AAA” by Moody’s Investor Services and S&P Global Rating Services. The bond proceeds will be used to fund infrastructure improvements for education, public safety, and water, wastewater, and stormwater utilities.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

1. BUDGETARY ACCOUNTING

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 City and many other governments revise their original budgets over the course of the year for a variety of reasons. Accordingly, GAAP requires that governments include the original budget with the comparison of final budget and actual results.

The City's budget process begins in December with the preparation of estimated revenue forecasts. Departmental budget requests are submitted to the City Manager in early January. By early March the Manager's proposed budget is presented to City Council. A series of City Council work sessions and public hearings are held. The budget is formally adopted by April 15.

An annual operating budget is adopted for the General Fund and the Social Services Fund. Within the General Fund, budgets are legally adopted at the departmental level. The City Manager is authorized to transfer the budget for personnel cost (salaries and fringe benefits) between departments if necessary; however, any other revisions that alter the total expenditures of any department or agency must be approved by City Council. Unexpended appropriations lapse at the end of the fiscal year unless carried over by Council action.

The budgets are integrated into the accounting system and the budgetary data, as presented in the Required Supplementary Information for all major funds with annual budgets, compares the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedules for the General and Social Services Funds present actual expenditures in accordance with GAAP on a basis consistent with legally adopted budgets as amended. Original, final budget and actual revenues and expenditures, including encumbrances, for the General Fund and Social Services Fund are presented on Exhibits G -1 and G-3, respectively. Original budget amounts are the budgets originally adopted by City Council, plus any approved amounts carried over from the previous fiscal year. Final budgets are these amounts plus any adjustments, through additional appropriations or reductions.

CITY OF CHARLOTTESVILLE, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Real estate	\$ 99,403,417	\$ 99,403,417	\$ 102,926,547	\$ 3,523,130
Personal property	12,600,000	12,600,000	14,277,009	1,677,009
Public service corporation	1,630,567	1,630,567	1,692,539	61,972
Penalties and interest on delinquent taxes	700,000	700,000	870,175	170,175
Sales and use	14,400,000	14,400,000	15,173,277	773,277
Utilities	4,600,000	4,600,000	4,684,886	84,886
Communications	2,125,000	2,125,000	2,087,935	(37,065)
Meals	18,436,363	18,436,363	19,477,422	1,041,059
Lodging	8,300,000	8,300,000	8,057,630	(242,370)
Franchise	-	-	199,941	199,941
Tax on bank stock	1,157,411	1,157,411	971,498	(185,913)
Tax on wills and deeds	725,000	725,000	616,583	(108,417)
Rolling stock	18,040	18,040	15,620	(2,420)
Short-term rental	75,000	75,000	56,485	(18,515)
Cigarette	550,000	550,000	503,830	(46,170)
Recordation	-	-	919	919
Plastic Bag Tax	40,000	40,000	89,392	49,392
Total Taxes:	<u>164,760,798</u>	<u>164,760,798</u>	<u>171,701,688</u>	<u>6,940,890</u>
Licenses and permits:				
Vehicle license fees	-	-	34,590	34,590
Dog licenses	4,000	4,000	3,333	(667)
Business License	8,900,000	8,900,000	10,056,140	1,156,140
Electrical, heating and mechanical permits	315,000	315,000	148,960	(166,040)
Building and plumbing permits	494,000	494,000	1,044,554	550,554
Erosion control fees	29,500	29,500	7,925	(21,575)
Sign permits	8,000	8,000	2,325	(5,675)
Other permits	548,500	548,500	451,102	(97,398)
Total Licenses and permits:	<u>10,299,000</u>	<u>10,299,000</u>	<u>11,748,929</u>	<u>1,449,929</u>
Intergovernmental:				
Revenue from Federal government	-	16,942	3,690	(13,252)
Revenue from State agencies:				
Other State assistance	220,000	428,250	455,469	27,219
P2P vehicle share tax	-	-	5,130	5,130
Police assistance	2,460,982	2,460,982	2,588,837	127,855
PPTRA revenue	3,498,256	3,498,256	3,498,256	-
Reimbursement for constitutional officers	1,975,433	1,975,433	2,293,823	318,390
State highway assistance	4,645,517	4,645,517	4,111,286	(534,231)
Trailer titling tax	1,200	1,200	-	(1,200)
Revenue from other local governments:				
Circuit Court reimbursement	16,218	16,218	5,472	(10,746)
Court revenue	400,000	400,000	345,601	(54,399)
Fire Department operations	200,000	200,000	-	(200,000)
Juvenile and Domestic Relations Court	145,312	145,312	145,312	-
Other local governments	4,625,338	4,625,338	823,753	(3,801,585)
Payment in lieu of taxes - CRHA	6,771,568	6,771,568	-	(6,771,568)
Revenue sharing - Albemarle County	15,715,740	15,715,740	15,715,740	-
University of Virginia service charge	73,578	73,578	106,981	33,403
Total Intergovernmental:	<u>40,749,142</u>	<u>40,974,334</u>	<u>30,099,350</u>	<u>(10,874,984)</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
Charges for services:				
Recreation income	1,221,917	1,221,917	910,233	(311,684)
Parking garage revenue	1,373,300	1,373,300	779,855	(593,445)
Solid waste collection fees	1,115,000	1,115,000	1,223,318	108,318
Emergency Medical Services	765,000	765,000	1,158,918	393,918
DMV Select Commissions	30,000	30,000	1,726	(28,274)
Other charges for services	3,178,922	3,333,922	4,596,621	1,262,699
Total Charges for services:	<u>7,684,139</u>	<u>7,839,139</u>	<u>8,670,671</u>	<u>831,532</u>
Fines:				
Parking fines	300,000	300,000	305,805	5,805
Investment earnings:				
Interest	1,050,000	1,050,000	4,479,192	3,429,192
Gains/Losses on Investments	-	-	767,265	767,265
Miscellaneous revenues:				
Rent	480,490	480,490	556,738	76,248
Proceeds from drug seizures	-	-	18,000	18,000
Contributions	-	19,955	34,877	14,921
Refund of prior year expenditures	50,000	50,000	525,112	475,112
Indirect cost recovery	125,000	125,000	329,419	204,419
Other miscellaneous revenues	309,239	309,239	240,129	(69,110)
Total Miscellaneous revenues:	<u>964,729</u>	<u>984,684</u>	<u>1,704,275</u>	<u>719,590</u>
Total Revenues	<u>225,807,808</u>	<u>226,207,955</u>	<u>229,477,175</u>	<u>3,269,219</u>
EXPENDITURES-CURRENT				
General government:				
Legislative:				
First Cities	18,200	18,200	18,192	8
Mayor and Council	590,249	590,249	593,509	(3,260)
Reserve for Council	390,636	390,636	-	390,636
Sister Cities	42,887	42,887	30,887	12,000
Judicial:				
City Circuit Court	1,083,015	1,091,365	966,432	124,933
City Sheriff	1,901,064	1,906,064	1,784,226	121,838
Commonwealth's Attorney	1,349,129	1,349,129	1,238,575	110,554
Court Services Unit	30,780	30,780	29,545	1,236
General District Court	25,722	25,722	17,628	8,094
Juvenile and Domestic Relations Court	334,910	334,910	270,613	64,297
Executive:				
City Manager	1,786,658	1,786,658	1,490,099	296,560
Citywide Reserve	622,396	1,057,046	989,225	67,820
Communications Office	928,581	943,581	820,385	123,196
Emergency Management	499,143	506,643	503,735	2,908
Human Rights Commission	487,614	487,614	431,178	56,436
Office of Budget and Performance	571,291	571,291	574,670	(3,379)
Office of Equity and Inclusion	1,210,544	1,210,544	748,262	462,282
Police Civilian Review Board	546,468	546,468	386,277	160,191
Legal:				
City Attorney	1,072,098	1,164,598	1,212,892	(48,294)

CITY OF CHARLOTTESVILLE, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
Financial administration:				
Commissioner of Revenue	1,612,583	1,612,583	1,604,389	8,194
Finance - Administration	1,543,686	1,543,686	1,601,508	(57,822)
Purchasing	563,993	563,993	488,292	75,701
Real Estate Assessor	925,307	925,307	938,350	(13,044)
Treasurer	1,688,697	1,688,697	1,678,774	9,923
Personnel administration:				
Human Resources Department	1,875,579	1,875,579	1,819,239	56,340
Elections:				
Office of the Registrar	708,412	708,412	710,618	(2,206)
General government buildings and plant:				
Custodial	543,040	543,040	523,596	19,445
Maintenance	3,526,950	3,526,950	3,147,399	379,551
Public Works - Administration	3,641,550	3,688,550	2,896,321	792,229
Information technology:				
IT Operations	3,866,780	3,866,780	3,573,078	293,702
Total General government:	<u>33,987,962</u>	<u>34,597,962</u>	<u>31,087,894</u>	<u>3,510,069</u>
Public safety:				
Police protection:				
Drug investigation	213	5,672	3,410	2,262
Police Department	21,881,294	21,980,777	20,910,026	1,070,751
Fire protection:				
Fire Department	14,826,866	14,874,866	15,074,375	(199,509)
Volunteer Fire Company	24,671	24,671	3,774	20,897
Other protection:				
Blue Ridge Juvenile Detention Center	1,150,008	1,150,008	1,150,008	-
Contribution - Charlottesville-Albemarle Regional Jail	3,801,804	3,801,804	3,768,911	32,893
Contribution - Emergency Communications Center	1,985,491	1,985,491	1,881,923	103,568
Emergency medical services	867,086	867,086	1,022,295	(155,209)
Four for Life	76,089	76,089	3,601	72,488
Office of the Magistrate	10,610	10,610	10,380	230
Traffic Engineering	1,013,843	1,013,843	1,015,476	(1,634)
Total Public safety:	<u>45,637,975</u>	<u>45,790,917</u>	<u>44,844,179</u>	<u>946,737</u>
Community services				
Highways and streets:				
Public Service - Administration	568,159	568,159	587,653	(19,494)
Street lighting	673,266	688,266	688,257	9
Streets and sidewalks	5,002,225	4,987,225	3,212,958	1,774,267
Sanitation:				
Contribution to Ivy Landfill	500,000	660,000	604,234	55,766
Refuse collection and disposal	2,423,641	2,823,641	2,587,131	236,510
Transportation:				
Contribution to JAUNT	1,973,232	1,973,232	1,973,232	-
Total Community services	<u>11,140,523</u>	<u>11,700,523</u>	<u>9,653,465</u>	<u>2,047,058</u>
Health and welfare:				
Health:				
Blue Ridge Health District	674,940	674,940	674,940	-
Offender Aid and Restoration	378,246	378,246	378,246	-
Region Ten Community Services Board	1,021,865	1,021,865	1,021,865	-
Society for the Prevention of Cruelty to Animals	306,806	307,556	306,806	750

CITY OF CHARLOTTESVILLE, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
Welfare:				
Charlottesville homeowner assistance program	1,360,000	1,238,946	1,229,500	9,446
Contributions to community organizations	3,620,245	3,620,245	3,521,445	98,800
Education Extension program	72,476	72,476	39,193	33,283
Rent relief for the disabled	190,000	100,026	99,680	346
Rent relief for the elderly	35,000	30,043	30,043	-
Stormwater fee assistance program	20,000	24,542	24,542	-
Tax relief for the disabled	290,000	217,605	217,650	(45)
Tax relief for the elderly	750,000	1,035,838	1,035,838	-
Total Health and welfare:	<u>8,719,578</u>	<u>8,722,328</u>	<u>8,579,748</u>	<u>142,580</u>
Parks, recreation and culture:				
Culture:				
Contribution to Jefferson - Madison Regional Library	2,134,657	2,134,657	2,134,657	-
Contributions to community organizations	443,042	443,042	436,246	6,796
Contributions to festivals	15,000	15,000	6,796	8,204
Recreation:				
Administration	1,120,315	1,117,618	1,035,930	81,688
Aquatics	2,384,419	2,346,419	2,086,147	260,271
Athletics	533,094	513,094	436,673	76,421
Recreation centers	1,996,879	1,964,879	1,764,799	200,080
Special activities	1,159,321	1,104,321	1,026,219	78,101
Therapeutic programs	510,655	510,655	443,929	66,726
Parks:				
Contribution to Towe Park operations	120,000	130,000	220,739	(90,739)
Park maintenance	6,430,134	6,619,786	5,351,241	1,268,545
Total Parks, recreation and culture:	<u>16,847,516</u>	<u>16,899,471</u>	<u>14,943,376</u>	<u>1,956,093</u>
Education:				
Contribution to school board component unit	67,092,134	67,092,134	58,341,548	8,750,586
School pupil transportation	4,575,777	4,575,777	3,672,512	903,265
School maintenance and energy management	4,878,781	4,878,781	4,635,447	243,334
Contributions to community organizations	362,799	562,799	568,549	(5,750)
Total Education:	<u>76,909,491</u>	<u>77,109,491</u>	<u>67,218,056</u>	<u>9,891,435</u>
Conservation and development:				
Economic development:				
Chamber of Commerce	15,000	15,000	15,000	-
Contribution to Convention and Visitors Bureau	1,354,258	1,354,258	1,354,258	-
Office of Economic Development	1,664,223	1,664,223	1,562,712	101,511
Urban redevelopment and housing:				
Contributions to community organizations	509,850	509,850	504,100	5,750
Historic Preservation Task Force	52,239	52,239	24,420	27,819
Neighborhood Development Services Department	2,963,368	3,013,368	2,782,847	230,521
Parking enterprise	2,274,846	2,429,846	2,397,877	31,969
Total Conservation and development:	<u>8,833,784</u>	<u>9,038,784</u>	<u>8,641,214</u>	<u>397,570</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual-Budget Basis (see Note 1)</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other activities:				
Virginia Municipal League	20,000	20,000	20,348	(348)
Employee benefits	3,751,002	3,751,002	2,895,923	855,079
Corporate training program	7,652	7,652	7,528	124
Thomas Jefferson Soil & Water	13,440	13,440	13,440	-
Virginia Institute for Government	2,500	2,500	2,500	-
Alliance for Innovation	2,550	2,550	-	2,550
Rivanna Conservation Alliance	15,000	15,000	15,000	-
National League of Cities	5,000	5,000	4,229	771
Center for Nonprofit Excellence	1,000	1,000	1,000	-
Total Other activities:	<u>3,818,144</u>	<u>3,818,144</u>	<u>2,959,968</u>	<u>858,176</u>
Total Expenditures - Budgetary Basis	<u>205,894,974</u>	<u>207,677,621</u>	<u>187,927,900</u>	<u>19,749,718</u>
ENCUMBRANCES				
Less open encumbrances - June 30, 2024	-	-	(2,611,908)	2,611,908
Total Expenditures	<u>205,894,974</u>	<u>207,677,621</u>	<u>185,315,992</u>	<u>22,361,626</u>
Revenues Over Expenditures	<u>19,912,834</u>	<u>18,530,335</u>	<u>44,161,183</u>	<u>25,630,845</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Transfer from Proprietary Fund	8,036,046	8,036,046	6,832,218	(1,203,828)
Total Transfers in:	<u>8,036,046</u>	<u>8,036,046</u>	<u>6,832,218</u>	<u>(1,203,828)</u>
Transfers out:				
Transfer to State Grants Fund	(34,980)	(96,831)	(151,400)	31,080
Transfer to Social Services Fund	(3,602,777)	(3,602,777)	(4,047,480)	(444,702)
Transfer to Human Services Fund	(1,506,362)	(1,506,362)	(1,565,901)	(59,539)
Transfer to Children's Services Act Fund	(1,904,722)	(1,904,722)	(1,498,808)	405,914
Transfer to Virginia Juvenile Comm Crime Control Act Func	(108,415)	(108,415)	(108,415)	-
Transfer to Transit Fund	(2,825,000)	(2,923,600)	(2,825,000)	98,600
Transfer to Debt Service Fund	(13,398,856)	(13,398,856)	(13,559,019)	(160,163)
Transfer to Capital Projects Fund	(7,633,455)	(23,894,750)	(23,803,686)	91,064
Transfer to Information Technology Fund	(349,841)	(2,199,682)	(1,849,841)	349,841
Transfer to Retirement Fund	-	(2,600,000)	-	2,600,000
Total Transfers out:	<u>(31,364,408)</u>	<u>(52,235,995)</u>	<u>(49,409,550)</u>	<u>2,912,095</u>
Total Other Financing Sources (Uses), Net	<u>(23,328,362)</u>	<u>(44,199,949)</u>	<u>(42,577,332)</u>	<u>1,708,267</u>
Net Change in Fund Balance	<u>\$ (3,415,528)</u>	<u>\$ (25,669,614)</u>	1,583,851	<u>\$ 27,339,112</u>
Fund Balance - July 1, 2023			72,147,911	
Restatements and Adjustments			140,693	
Fund Balance - July 1, 2023 Restated			<u>72,288,604</u>	
Fund Balance - June 30, 2024			<u>\$ 73,872,455</u>	

See Accompanying Note to Required Supplementary Information

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
AMERICAN RELIEF PROGRAM ACT FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 6,191,935	\$ 6,191,935
Investment earnings	-	-	-	-
Miscellaneous	-	33,828	-	(33,828)
Total revenues	-	33,828	6,191,935	6,158,107
EXPENDITURES				
Current:				
General government	5,438,386	3,989,786	806,802	3,182,984
Public safety	652,317	88,917	77,934	10,983
Health and welfare	827,431	861,259	211,376	649,883
Parks, recreation and culture	1,315,000	776,000	87,068	688,932
Conservation and development	3,414,815	1,784,815	767,062	1,017,753
Risk management	300,000	300,000	-	300,000
Capital outlay	822,209	5,003,209	4,764,359	238,850
Total expenditures - budgetary basis	12,770,158	12,803,986	6,714,601	6,089,385
Less open encumbrances at June 30	-	-	(522,666)	(522,666)
Total expenditures	12,770,158	12,803,986	6,191,935	6,612,051
Revenues over (under) expenditures	(12,770,158)	(12,770,158)	-	12,770,158
Net change in fund balance	(12,770,158)	(12,770,158)	-	12,770,158
FUND BALANCE July 1, 2023	-	-	-	-
FUND BALANCE June 30, 2024	\$ (12,770,158)	\$ (12,770,158)	\$ -	\$ 12,770,158

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SOCIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,026,731	\$ 11,252,468	\$ 10,615,385	\$ (637,083)
Charges for services	-	-	26	26
Miscellaneous	-	-	8,563	8,563
Total revenues	<u>11,026,731</u>	<u>11,252,468</u>	<u>10,623,974</u>	<u>(628,494)</u>
EXPENDITURES				
Current:				
Health and welfare	15,883,092	16,108,829	14,671,454	1,443,357
Capital outlay	25,000	25,000	-	25,000
Total expenditures - budgetary basis	<u>15,908,092</u>	<u>16,133,829</u>	<u>14,671,454</u>	<u>1,468,357</u>
Less open encumbrances at June 30	-	-	-	-
Total expenditures	<u>15,908,092</u>	<u>16,133,829</u>	<u>14,671,454</u>	<u>1,468,357</u>
Revenues over (under) expenditures	<u>(4,881,361)</u>	<u>(4,881,361)</u>	<u>(4,047,480)</u>	<u>839,863</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,881,022	4,881,022	4,047,480	(833,543)
Total other financing sources (uses), net	<u>4,881,022</u>	<u>\$ 4,881,022</u>	<u>4,047,480</u>	<u>(833,543)</u>
Net change in fund balance	(339)	(339)	-	6,320
FUND BALANCE July 1, 2023	-	-	-	-
FUND BALANCE June 30, 2024	<u>\$ (339)</u>	<u>\$ (339)</u>	<u>\$ -</u>	<u>\$ 6,320</u>

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-1

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,383,265	\$ 2,312,913	\$ 2,263,023	\$ 2,884,731	\$ 2,718,977	\$ 2,659,173	\$ 2,512,981	\$ 2,500,699	\$ 2,240,673	\$ 2,209,225
Interest	16,363,027	15,606,239	15,312,412	14,613,181	14,162,162	13,594,672	13,196,843	12,850,577	11,096,155	10,715,382
Changes of benefit terms	-	-	-	-	-	-	(961,615)	-	-	-
Differences between expected and actual experience	5,144,289	7,198,783	714,457	(638,262)	2,223,406	3,517,133	1,889,654	26,647	2,803,443	1,767,216
Changes of assumptions	-	-	-	6,197,699	-	-	-	-	17,484,857	-
Benefit payments, including refunds of employee contributions	(15,379,171)	(14,688,183)	(14,067,437)	(13,412,920)	(12,780,445)	(11,648,911)	(11,029,235)	(10,502,386)	(9,972,849)	(9,269,548)
Net change in total pension liability	8,511,410	10,429,752	4,222,455	9,644,429	6,324,100	8,122,067	5,608,628	4,875,537	23,652,279	5,422,275
Total pension liability - beginning	225,724,262	215,294,510	211,072,055	201,427,626	195,103,526	186,981,459	181,372,831	176,497,294	152,845,015	147,422,740
Total pension liability - ending (a)	234,235,672	225,724,262	215,294,510	211,072,055	201,427,626	195,103,526	186,981,459	181,372,831	176,497,294	152,845,015
Plan fiduciary net position										
Contributions - employer	13,949,835	11,675,185	11,022,358	11,391,629	10,143,794	9,910,900	7,763,084	7,088,275	6,794,772	6,900,872
Contributions - employee	1,250,482	1,131,321	1,087,218	1,098,813	1,099,463	792,561	329,599	342,352	226,903	138,129
Net investment income	13,567,570	(17,187,451)	34,102,627	3,605,139	8,946,662	10,527,419	12,294,092	(1,546,127)	3,424,127	15,709,061
Benefit payments, including refunds of employee contributions	(15,379,171)	(14,688,183)	(14,067,437)	(13,412,920)	(12,780,445)	(11,648,911)	(11,029,235)	(10,502,386)	(9,972,849)	(9,269,548)
Administrative expense	(271,203)	(240,797)	(238,939)	(238,340)	(240,537)	(228,247)	(253,592)	(268,455)	(272,012)	(239,503)
Other	-	(2)	(409)	(309)	30	553,281	83,757	-	-	-
Net change in plan fiduciary net position	13,117,513	(19,309,927)	31,905,418	2,444,012	7,168,967	9,907,003	9,187,705	(4,886,341)	200,941	13,239,011
Plan fiduciary net position - beginning	132,515,912	151,825,839	119,920,421	117,476,409	110,307,442	100,400,439	91,212,734	96,099,075	95,898,134	82,659,123
Plan fiduciary net position - ending	\$ 145,633,425	\$ 132,515,912	\$ 151,825,839	\$ 119,920,421	\$ 117,476,409	\$ 110,307,442	\$ 100,400,439	\$ 91,212,734	\$ 96,099,075	\$ 95,898,134
Total net pension liability - ending	\$ 88,602,247	\$ 93,208,350	\$ 63,468,671	\$ 91,151,634	\$ 83,951,217	\$ 84,796,084	\$ 86,581,020	\$ 90,160,097	\$ 80,398,219	\$ 56,946,881
City Portion of Total net pension liability - ending	\$ 86,035,617	\$ 90,023,884	\$ 61,438,195	\$ 88,331,731	\$ 81,214,818	\$ 81,607,092	\$ 82,427,752	\$ 86,534,334	\$ 77,045,318	\$ 54,763,111
JMRL (Library) Portion of total net pension liability - ending	2,566,630	3,184,466	2,030,476	2,583,631	2,638,484	2,842,652	3,769,195	3,255,673	2,968,515	1,950,754
CACVB (Visitors Bureau) portion of net pension liability - ending	-	-	-	236,272	97,915	346,340	384,073	370,090	384,386	233,016
	\$ 88,602,247	\$ 93,208,350	\$ 63,468,671	\$ 91,151,634	\$ 83,951,217	\$ 84,796,084	\$ 86,581,020	\$ 90,160,097	\$ 80,398,219	\$ 56,946,881
Plan fiduciary net position as a percentage of total pension liability	62%	59%	71%	57%	58%	57%	54%	50.29%	54.45%	62.74%
Covered payroll	\$ 46,767,615	\$ 40,745,359	\$ 38,981,614	\$ 37,054,637	\$ 39,573,350	\$ 37,845,597	\$ 36,800,404	\$ 34,820,331	\$ 35,324,742	\$ 34,244,022
Net pension liability as a percentage of covered payroll	189%	229%	163%	246%	212%	224%	235%	258.9%	227.6%	166.3%
<i>Pension liability and related ratios are presented for all pension plan members</i>										
Benefit changes:	No benefit changes were approved by Charlottesville City Council									
Changes of assumptions:	In 2017 changes were made in the following actuarial assumptions: salary increases for all employees, retirement rates for all employees, turnover rates for all employees, mortality rates for all employees and Social Security wage base and benefit increases. As of June 30, 2015 the City utilizes the entry age actuarial cost method. The unfunded liability has been amortized under a "fresh start" over 20 years as of June 30, 2017.									
Rate of Return:	The annual money-weighted rate of return on pension plan investments, net of plan investment expense, expresses investment performance adjusted for the changing amounts invested as follows:									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	11.49%	10.05%	-11.40%	8.64%	8.18%	10.49%	13.71%	-1.80%	3.70%	19.40%

The Pension Plan participants include employees of the Jefferson Madison Regional Library (JMRL) and the Charlottesville Albemarle Convention and Visitors Bureau (CACVB). This schedule of changes in Net Pension Liability is provided for all participants.

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-2

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS
CITY PENSION PLAN**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 15,746,472	\$ 12,300,995	\$ 11,379,972	\$ 10,797,447	\$ 9,591,629	\$ 10,053,850	\$ 9,910,900	\$ 7,763,084	\$ 6,388,275	\$ 6,094,772
Actual contributions in relation to actuarially determined contribution	25,134,883	13,949,835	11,675,185	11,022,358	11,391,629	10,143,794	9,910,900	7,763,084	7,088,275	6,794,772
Contribution deficiency (excess)	\$ (9,388,411)	\$ (1,648,840)	\$ (295,213)	\$ (224,911)	\$ (1,800,000)	\$ (89,944)	\$ -	\$ -	\$ (700,000)	\$ (700,000)
Covered payroll	46,767,615	40,745,359	38,981,614	37,174,901	38,244,136	40,490,737	37,845,597	\$ 36,800,404	\$ 34,820,331	\$ 35,324,742
Actual contributions as a percentage of covered payroll	53.74%	34.24%	29.95%	29.65%	29.79%	25.05%	26.19%	21.10%	20.36%	19.24%

The schedule does not include member contributions
Pension liability and related ratios are presented for all pension plan members

Valuation date: Actuarial determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry age, normal cost
Amortization period:	20 years
Remaining amortization period:	20 years "fresh start" as of June 30, 2017
Asset valuation method:	Market value with a four-year averaging of the difference between actual and expected investment performance
Inflation:	2.00% per annum, compounded annually
Salary increases:	2% to 4%
Investment rate of return:	7.5%
Retirement age:	In the June 30, 2018 actuarial valuation, expected retirement ages of general and public employees were adjusted to more closely reflect actual experience
Mortality:	In the June 30, 2018 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Lives Mortality Table, fully generational. In prior years, those assumptions were based on the Unisex Pension - 1984 Table (UP84)

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-3

**SCHEDULE OF FUNDING PROGRESS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFIT PLANS
 FOR THE YEAR ENDED JUNE 30, 2024**

Entity Fiscal Year Ended June 30	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 4,000,455	\$ 4,166,962	\$ (166,507)	\$ 60,797,188	6.85%
2023	3,263,979	3,380,372	(116,393)	55,134,780	6.13%
2022	3,315,561	3,489,602	(174,041)	43,171,367	8.08%
2021	4,087,636	4,333,409	(245,773)	43,485,490	9.97%
2020	4,627,541	4,627,541	-	38,244,140	12.10%
2019	5,194,962	5,488,448	(293,486)	40,490,740	13.55%
2018	4,919,528	5,217,817	(298,289)	37,726,442	13.83%
2017	3,928,227	3,928,227	-	33,346,579	11.78%
2016	5,879,447	5,879,447	-	37,785,649	15.56%
2015	6,065,000	6,065,000	-	34,776,376	17.44%
2014	5,938,060	5,938,060	-	33,970,595	17.48%

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

CITY OF CHARLOTTESVILLE, VIRGINIA

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS CITY OTHER POST EMPLOYMENT BENEFITS PLAN

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability					
Service cost	\$ 797,173	\$ 1,073,751	\$ 692,917	\$ 723,701	\$ 1,141,394
Interest	4,596,564	5,426,089	5,346,723	5,437,566	5,845,433
Differences between expected and actual experience	4,176,074	(12,761,554)	(2,559,726)	(3,028,258)	(4,284,584)
Changes in assumptions	397,854	506,048	2,580,406	1,128,007	(2,246,767)
Benefit Payments	(4,645,195)	(5,410,979)	(5,354,883)	(5,528,074)	(5,423,938)
Net change in total OPEB liability	5,322,470	(11,166,645)	705,437	(1,267,058)	(4,968,462)
Total OPEB liability - beginning	62,812,951	73,979,596	73,274,159	74,541,217	79,509,679
Total OPEB liability - ending (a)	68,135,421	62,812,951	73,979,596	73,274,159	74,541,217
Plan fiduciary net position					
Contributions - employer	4,166,962	3,380,372	3,489,601	4,333,410	4,627,541
Contributions - employee	1,013,716	1,014,034	1,140,943	1,232,984	1,329,336
Net investment income	6,401,800	5,331,098	(6,814,457)	13,429,422	1,394,380
Benefit payments, including refunds of employee contributions	(4,645,195)	(5,410,979)	(5,354,883)	(5,528,074)	(5,423,938)
Administrative expense	(115,972)	(114,563)	(103,471)	(102,093)	(100,184)
Other	-	(2.00)	2.00	-	61,649
Net change in plan fiduciary net position	6,821,311	4,199,960	(7,642,265)	13,365,649	1,888,784
Plan fiduciary net position - beginning	56,742,510	52,542,550	60,184,815	46,819,166	44,930,382
Plan fiduciary net position - ending	\$ 63,563,821	\$ 56,742,510	\$ 52,542,550	\$ 60,184,815	\$ 46,819,166
Total net OPEB liability - ending	\$ 4,571,600	\$ 6,070,441	\$ 21,437,046	\$ 13,089,344	\$ 27,722,051
City Portion of Total net OPEB liability - ending	4,448,638	5,859,384	20,534,203	12,558,938	26,410,216
JMRL (Library) Portion of total net OPEB liability - ending	122,962	211,057	902,843	530,406	1,210,012
CACVB (Visitors Bureau) portion of net OPEB liability - ending	-	-	-	-	101,823
	\$ 4,571,600	\$ 6,070,441	\$ 21,437,046	\$ 13,089,344	\$ 27,722,051
Plan fiduciary net position as a percentage of total OPEB liability	93.29%	90.34%	71.02%	82.14%	62.81%
Covered payroll	\$ 60,797,188	\$ 55,134,780	\$ 43,171,367	\$ 43,485,490	\$ 38,244,140
Net OPEB liability as a percentage of covered payroll	7.52%	11.01%	49.66%	30.10%	72.49%
<i>OPEB liability and related ratios are presented for all pension plan members</i>					
<i>Benefit changes:</i>	No benefit changes were approved by Charlottesville City Council				
<i>Changes of assumptions:</i>	In 2018 changes were made in the following actuarial assumptions: salary increases for all employees, retirement rates for all employees, turnover rates for all employees, mortality rates for all employees and Social Security wage base and benefit increases. As of June 30, 2015 the City utilizes the entry age actuarial cost method. The unfunded liability has been amortized under a "fresh start" over 20 years as of June 30, 2017.				
<i>Rate of Return:</i>	The annual money-weighted rate of return on OPEB plan investments, net of plan investment expense, expresses investment performance adjusted for the changing amounts invested as follows:				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
	11.49%	10.05%	-11.40%	28.70%	8.64%

The OPEB Plan participants include employees of the Jefferson Madison Regional Library (JMRL) and the Charlottesville Albemarle Convention and Visitors Bureau (CACVB). This schedule of changes in Net Pension Liability is provided for all participants.

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



**CHARLOTTESVILLE SCHOOL BOARD
COMPONENT UNIT**

Required Supplementary Information

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-5

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
 VIRGINIA RETIREMENT SYSTEM (VRS)
 SCHOOL BOARD NON PROFESSIONAL EMPLOYEE PENSION PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 190,245	\$ 157,251	\$ 169,581	\$ 197,515	\$ 176,264	\$ 187,291	\$ 198,247	\$ 195,809	\$ 196,210	\$ 213,920
Interest	701,404	692,085	701,011	708,789	731,101	722,190	717,771	718,672	713,114	700,933
Differences between expected and actual experience	91,564	(12,940)	(832,777)	(204,159)	(301,523)	-	(51,816)	(226,626)	-	-
Changes of assumptions	-	-	385,484	-	255,338	(55,260)	(66,534)	-	(853,779)	(748,708)
Benefit payments, including refunds of employee contributions	(762,962)	(699,695)	(725,889)	(908,847)	(700,964)	(752,873)	(716,215)	(685,251)	-	-
Net change in total pension liability	220,251	136,701	(302,590)	(206,702)	160,216	101,348	81,453	2,604	55,545	166,145
Total pension liability - beginning	10,582,405	10,445,704	10,748,294	10,954,996	10,794,780	10,693,432	10,611,979	10,609,375	10,553,830	10,387,685
Total pension liability - ending	\$ 10,802,656	\$ 10,582,405	\$ 10,445,704	\$ 10,748,294	\$ 10,954,996	\$ 10,794,780	\$ 10,693,432	\$ 10,611,979	\$ 10,609,375	\$ 10,553,830
Plan fiduciary net position										
Contributions - employer	-	37,522	35,567	67,014	67,470	84,487	87,234	171,836	164,445	172,171
Contributions - employee	104,384	98,910	96,805	101,183	97,699	94,766	97,046	100,765	96,590	95,584
Net investment income	792,619	(5,833)	2,912,633	219,330	728,430	801,592	1,229,764	174,795	472,412	1,476,650
Benefit payments, including refunds of employee contributions	(762,962)	(699,695)	(725,889)	(908,847)	(700,964)	(752,873)	(716,215)	(685,251)	(732,971)	(748,708)
Administrative expense	(8,271)	(8,358)	(7,622)	(7,782)	(7,616)	(7,250)	(7,477)	(6,745)	(6,848)	(8,295)
Other	(429)	297	271	(246)	(457)	(698)	(1,078)	(76)	(98)	78
Net change in plan fiduciary net position	125,341	(577,157)	2,311,765	(529,348)	184,562	220,024	689,274	(244,676)	(6,470)	987,480
Plan fiduciary net position - beginning	12,641,558	13,218,715	10,906,950	11,436,298	11,251,736	11,031,712	10,342,438	10,587,114	10,593,584	9,606,104
Plan fiduciary net position - ending	\$ 12,766,899	\$ 12,641,558	\$ 13,218,715	\$ 10,906,950	\$ 11,436,298	\$ 11,251,736	\$ 11,031,712	\$ 10,342,438	\$ 10,587,114	\$ 10,593,584
Total net pension liability - beginning	\$ (2,059,153)	\$ (2,773,011)	\$ (158,656)	\$ (481,302)	\$ (456,956)	\$ (338,280)	\$ 269,541	\$ 22,261	\$ (39,754)	\$ 781,581
Total net pension liability - ending	\$ (1,964,243)	\$ (2,059,153)	\$ (2,773,011)	\$ (158,656)	\$ (481,302)	\$ (456,956)	\$ (338,280)	\$ 269,541	\$ 22,261	\$ (39,754)
Plan fiduciary net position as a percentage of total pension liability	-18.18%	-19.46%	-26.55%	-1.48%	-4.39%	-4.23%	-3.16%	2.54%	0.21%	-0.38%
Covered payroll	\$ 2,298,354	\$ 2,160,890	\$ 2,108,308	\$ 2,178,188	\$ 2,087,006	\$ 1,983,725	\$ 1,998,410	\$ 2,058,976	\$ 1,972,080	\$ 1,996,131
Net pension liability as a percentage of covered employee payroll	-85.46%	-95.29%	-131.53%	-7.28%	-23.06%	-23.04%	-16.93%	13.09%	1.13%	-1.99%

Schedule is intended to show information for 10 years. Since 2014 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-6

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS
VIRGINIA RETIREMENT SYSTEM (VRS)
SCHOOL BOARD NON PROFESSIONAL EMPLOYEE PENSION PLAN**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution *	\$ -	\$ -	\$ 51,429	\$ 50,178	\$ 67,672	\$ 68,013	\$ 89,157	\$ 191,048	\$ 277,344	\$ 265,639
Contributions in relation to actuarially determined contribution	-	-	51,690	50,178	67,672	68,013	89,157	184,280	272,601	261,035
Contribution deficiency (excess)	\$ -	\$ -	\$ (261)	\$ -	\$ -	\$ -	\$ -	\$ 6,768	\$ 4,743	\$ 4,604
Covered payroll	\$ 2,387,408	\$ 2,298,354	\$ 2,160,890	\$ 2,108,308	\$ 2,178,188	\$ 2,087,006	\$ 1,983,725	\$ 1,998,410	\$ 2,058,976	\$ 1,972,080
Contributions as a percentage of covered payroll	0.00%	0.00%	2.39%	2.38%	3.11%	3.26%	4.49%	9.22%	13.24%	13.24%

Changes of benefit terms – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013, and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

See Note 15 for detailed information on changes to mortality rates for School's pension.

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-7

**SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 VIRGINIA RETIREMENT SYSTEM (VRS)
 SCHOOL BOARD TEACHERS COST SHARING PLAN**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School Board's proportion of the Virginia Retirement System net pension liability (asset) (%)	0.44157%	0.46149%	0.46409%	0.4797%	0.4832%	0.4796%	0.4804%	0.4819%	0.4783%	0.4655%
School Board's proportion of the net pension liability (asset) (\$)	44,630,384	43,936,611	36,027,758	69,811,858	63,312,862	56,399,000	\$ 59,082,000	\$ 67,535,000	\$ 60,198,000	\$ 56,251,000
School Board's covered payroll	\$ 44,224,987	\$ 43,294,313	\$ 41,310,321	\$ 42,357,768	\$ 40,460,883	38,941,499	\$ 38,057,049	\$ 36,749,269	\$ 35,536,803	\$ 24,299,798
School Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	100.9167%	101.4836%	87.2125%	164.8148%	156.4792%	144.8301%	155.2459%	183.7724%	169.3962%	231.4875%
Plan fiduciary net position as a percentage of the total pension liability	82.45%	82.61%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule is intended to show information for 10 years. Since 2014 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-8

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS
VIRGINIA RETIREMENT SYSTEM (VRS)
SCHOOL BOARD TEACHERS COST SHARING PLAN**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution *	\$ 7,937,166	\$ 6,970,461	\$ 6,855,433	\$ 6,566,056	\$ 6,381,272	\$ 6,158,803	\$ 6,355,218	\$ 5,579,163	\$ 5,166,947	\$ 6,467,698
Contributions in relation to actuarially determined contribution	7,937,166	6,970,461	6,855,433	6,566,056	6,381,272	6,158,803	6,355,218	5,579,163	5,166,168	5,156,160
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 779	\$ 1,311,538
Covered payroll	\$ 47,756,713	\$ 44,224,987	\$ 43,294,313	\$ 41,310,321	\$ 42,357,768	\$ 40,460,883	\$ 38,941,499	\$ 38,057,049	\$ 36,749,269	\$ 35,536,803
Contributions as a percentage of covered payroll	16.6%	15.8%	15.8%	15.9%	15.1%	15.2%	16.3%	14.7%	14.1%	14.5%

Changes of benefit terms – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component went into effect in FY 2014. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013. Because of this was a new benefit and the number of participants was small, the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- No salary changes

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-9

**SCHOOL BOARD SCHEDULE OF FUNDING PROGRESS
SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2024**

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Health Insurance Credit - Nonprofessional					
2024	\$ 22,203	\$ 22,203	\$ -	\$ 2,387,408	0.93%
2023	\$ 21,375	\$ 21,375	\$ -	\$ 2,298,354	0.93%
2022	\$ 15,942	\$ 15,942	\$ -	\$ 2,154,307	0.74%
Virginia Retirement System - Health Insurance Credit - Teachers					
2024	\$ 577,856	\$ 577,856	\$ -	\$ 47,756,713	1.21%
2023	\$ 535,120	\$ 535,120	\$ -	\$ 44,224,987	1.21%
2022	\$ 523,901	\$ 523,901	\$ -	\$ 43,297,608	1.21%
2021	\$ 515,396	\$ 515,396	\$ -	\$ 43,490,629	1.19%
2020	\$ 508,293	\$ 508,293	\$ -	\$ 42,357,767	1.20%
2019	\$ 486,028	\$ 486,028	\$ -	\$ 40,502,306	1.20%
2018	\$ 479,003	\$ 479,003	\$ -	\$ 38,943,365	1.23%
Virginia Retirement System - Group Life Insurance - Nonprofessional					
2024	\$ 12,892	\$ 12,892	\$ -	\$ 2,387,408	0.54%
2023	\$ 12,411	\$ 12,411	\$ -	\$ 2,298,354	0.54%
2022	\$ 11,645	\$ 11,645	\$ -	\$ 2,156,414	0.54%
Virginia Retirement System - Group Life Insurance					
2024	\$ 257,886	\$ 257,886	\$ -	\$ 47,756,713	0.54%
2023	\$ 238,895	\$ 238,895	\$ -	\$ 44,239,834	0.54%
2022	\$ 245,522	\$ 245,522	\$ -	\$ 45,466,972	0.54%
2021	\$ 234,561	\$ 234,561	\$ -	\$ 43,418,630	0.54%
2020	\$ 233,335	\$ 233,335	\$ -	\$ 42,357,767	0.55%
2019	\$ 223,133	\$ 223,133	\$ -	\$ 40,502,306	0.55%
2018	\$ 157,801	\$ 157,801	\$ -	\$ 38,943,365	0.41%
Local Plan - Schools					
2024	\$ 275,792	\$ 275,792	\$ -	*	*
2023	\$ 207,440	\$ 207,440	\$ -	*	*
2022	\$ 138,880	\$ 138,880	\$ -	*	*
2021	\$ 298,000	\$ 298,000	\$ -	\$ 38,536,000	0.77%
2020	\$ 193,000	\$ 193,000	\$ -	\$ 38,356,000	0.50%
2019	\$ 128,000	\$ 128,000	\$ -	\$ 36,995,000	0.35%
2018	\$ 226,000	\$ 226,000	\$ -	\$ 36,995,000	0.61%

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

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

* No covered payroll provided in Local plan actuary report.

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-10

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
SCHOOL BOARD LOCAL OPEB PLAN

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	\$ 134,004	\$ 164,162	\$ 143,071	\$ 133,000	\$ 148,000	\$ 122,000	\$ 144,000
Interest	94,437	55,716	81,107	99,000	130,000	129,000	125,000
Differences between expected and actual experience	(299,699)	-	(14,599)	132,000	(5,000)	(127,000)	-
Changes of assumptions	(40,695)	(303,651)	(539,091)	216,000	(423,000)	-	-
Benefit payments, including refunds of employee contributions	(275,792)	(207,440)	(138,880)	(298,000)	(193,000)	(128,000)	(226,000)
Net change in total OPEB liability	(387,745)	(291,213)	(468,392)	282,000	(343,000)	(4,000)	43,000
Total OPEB liability - beginning	2,714,395	3,005,608	3,474,000	3,192,000	3,535,000	3,539,000	3,496,000
Total OPEB liability - ending	\$ 2,326,650	\$ 2,714,395	\$ 3,005,608	\$ 3,474,000	\$ 3,192,000	\$ 3,535,000	\$ 3,539,000
Plan fiduciary net position							
Contributions - employer	275,792	207,440	138,880	298,000	193,000	128,000	226,000
Contributions - employee	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(275,792)	(207,440)	(138,880)	(298,000)	(193,000)	(128,000)	(226,000)
Administrative expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net OPEB liability - beginning	\$ 2,714,395	\$ 3,005,608	\$ 3,474,000	\$ 3,192,000	\$ 3,535,000	\$ 3,539,000	\$ 3,539,000
Total net OPEB liability - ending	\$ 2,326,650	\$ 2,714,395	\$ 3,005,608	\$ 3,474,000	\$ 3,192,000	\$ 3,535,000	\$ 3,539,000
Plan fiduciary net position as a percentage of total OPEB liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Covered-employee payroll	*	*	*	\$ 38,536,000	\$ 38,536,000	\$ 36,995,000	\$ 36,995,000
Net OPEB liability as a percentage of covered-employee payroll	*	*	*	9.01%	8.28%	9.56%	9.57%

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

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

* No covered payroll provided in Local plan actuary report.

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-11

**SCHOOL BOARD SCHEDULE OF FUNDING PROGRESS
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE FOR OPEB PLANS
FOR THE YEAR ENDED JUNE 30, 2024**

Entity Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Health Insurance Credit - Nonprofessional					
2023	0.00171%	\$ 63,879	\$ 2,387,408	2.68%	51.79%
2022	0.00999%	\$ 225,374	\$ 2,298,354	9.81%	39.63%
2021	0.01021%	\$ 208,251	\$ 2,154,307	9.67%	40.52%
Virginia Retirement System - Health Insurance Credit - Teachers					
2023	0.44575%	\$ 5,373,000	\$ 47,756,713	11.25%	17.90%
2022	0.44353%	\$ 5,802,571	\$ 44,224,987	13.12%	15.08%
2021	0.46456%	\$ 5,995,551	\$ 43,297,608	13.85%	13.15%
2020	0.46710%	\$ 6,505,623	\$ 43,490,629	14.96%	9.95%
2019	0.48316%	\$ 6,321,000	\$ 42,357,767	14.92%	8.97%
2018	0.48105%	\$ 6,113,000	\$ 40,502,306	15.09%	9.51%
2017	0.48208%	\$ 6,116,000	\$ 38,943,365	15.70%	7.04%
Virginia Retirement System - Group Life Insurance					
2023	0.00930%	\$ 117,053	\$ 2,387,408	4.90%	69.30%
2022	0.01021%	\$ 118,872	\$ 2,298,354	5.17%	67.21%
2021	0.01021%	\$ 118,872	\$ 2,156,414	5.51%	67.45%
2020	0.01058%	\$ 176,563	\$ 2,108,308	8.37%	52.64%
2019	0.01063%	\$ 172,978	\$ 2,178,183	7.94%	52.00%
2018	0.01043%	\$ 159,000	\$ 2,084,546	7.63%	51.22%
2017	0.01043%	\$ 163,000	\$ 2,084,546	7.82%	48.86%

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

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



SUPPLEMENTARY SECTION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amount		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Fees and permits	\$ -	\$ -	\$ 41,328	\$ 41,328
Intergovernmental	68,797,385	70,281,306	19,886,326	(50,394,980)
Miscellaneous	-	56,317	297,783	241,466
Total revenues	68,797,385	70,337,623	20,225,437	(50,112,186)
EXPENDITURES				
Current:				
General government	186,276,969	187,326,220	73,823,875	113,502,345
Public safety	1,602,394	1,868,458	1,203,728	664,730
Community services	13,219,273	13,219,273	6,210,103	7,009,170
Parks, recreation and culture	8,865,175	10,070,235	2,453,573	7,616,662
Education	11,079,462	11,079,462	6,722,542	4,356,920
Conservation and development	66,683,942	67,728,088	6,551,258	61,176,830
Gas	400,422	400,422	-	400,422
Golf	-	-	-	-
Information technology	600,662	600,662	15,182	585,480
Departmental services	1,431,836	1,431,836	931,610	500,226
Risk management	150,000	150,000	-	150,000
Capital outlay	1,085,987	7,142,304	52,667,880	(45,525,576)
Total expenditures - budgetary basis	291,396,122	301,016,960	150,579,751	150,437,209
Less open encumbrances at June 30	-	-	(76,185,654)	76,185,654
Total expenditures	291,396,122	301,016,960	74,394,097	226,622,863
Revenues over (under) expenditures	(222,598,737)	(230,679,337)	(54,168,660)	(176,510,677)
OTHER FINANCING SOURCES (USES)				
Transfers in	20,100,653	36,382,702	28,863,743	(7,518,959)
Transfers out	-	-	(25,654)	(25,654)
Issuance of debt	94,759,705	94,934,705	-	(94,934,705)
Total other financing sources (uses), net	114,860,358	131,317,407	28,838,089	(102,479,318)
Net change in fund balance	(107,738,379)	(99,361,930)	(25,330,571)	74,031,359
FUND BALANCE July 1, 2023	30,100,979	30,100,979	30,100,978	-
FUND BALANCE June 30, 2024	<u>\$ (77,637,400)</u>	<u>\$ (69,260,951)</u>	<u>\$ 4,770,407</u>	<u>\$ 74,031,359</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	-	834,691	834,691	-
Total revenues	-	834,691	834,691	-
EXPENDITURES				
General government	60,000	40,003	27,920	12,083
Retirement of principle	9,136,008	9,866,008	9,876,722	(10,714)
Interest	3,380,943	4,062,692	4,064,062	(1,370)
Total expenditures - budgetary basis	12,576,951	13,968,703	13,968,704	(1)
Less open encumbrances at June 30	-	-	-	-
Total expenditures	12,576,951	13,968,703	13,968,704	(1)
Revenue over (under) expenditures	(12,576,951)	(13,134,012)	(13,134,013)	(1)
OTHER FINANCING SOURCES (USES)				
Transfers in	13,507,947	13,559,019	13,559,019	-
Issuance of debt	-	(5,060,057)	(5,060,057)	-
Total other financing sources (uses), net	13,507,947	8,498,962	8,498,962	-
Net change in fund balance	930,996	(4,635,050)	(4,635,051)	(1)
FUND BALANCE July 1, 2023	23,529,038	23,529,038	23,290,672	238,366
FUND BALANCE June 30, 2024	<u>\$ 24,460,034</u>	<u>\$ 18,893,988</u>	<u>\$ 18,655,621</u>	<u>\$ 238,365</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report specific revenues that are legally restricted, committed, or assigned to expenditure for particular purposes other than debt service or capital projects. The City has established the following nonmajor special revenue funds:

Community Development Block Grant (CDBG) Fund – to account for funds provided by U. S. Housing and Urban Development (HUD) for low-income housing and assistance projects. Included are repayments of CDBG program loans that are re-programmed for the same purpose.

Grants Fund – to account for revenues and expenditures restricted for specific grants awarded to the City by federal and state government, or local public or private agencies that are not accounted for or reported in another fund. This includes the Virginia Juvenile Community Crime Control Act (VJCCCA) Fund, a state budgeted grant which has previously been reported separately.

Human Services Fund – to account for services which promote the healthy development and stability of at-risk youth and families, in addition to residential and community-based services which advocate for the needs of youth and their families, assist the local community in preventing juvenile delinquency and family disintegration, and promote the rehabilitation of youth. This fund was previously called Community Attention.

Children’s Services Act (CSA) Fund – to account for the City’s portion of the activities of the multi-jurisdictional CSA Team, which provides high quality, child centered, family focused, services to high-risk youth and their families. This program was previously called Comprehensive Services Act.

Opioid Remediation Fund – to account for the City’s allocation of the legal settlements against pharmaceutical supply chain participants by the Commonwealth of Virginia. The settlement payments received must be used for opioid abatement efforts to treat, prevent, reduce or otherwise remediate the opioid epidemic.

Transit Fund – to account for the operations and capital purchases of Charlottesville Area Transit (CAT), which provides fixed-route public bus service to the City and urban portions of Albemarle County. The City contracts with JAUNT to provide required Americans with Disabilities Act (ADA) paratransit service that fixed-route buses are unable to accommodate. Federal pass-thru revenues and expenses of JAUNT are separately accounted for within the Transit Fund.

PERMANENT FUND

Permanent funds are restricted to the extent that only earnings, and not principal, may be used for the benefit of the government and its citizenry.

Cemetery Perpetual Care Permanent Fund – This fund is used to account for principal trust amounts received, and related interest income. The interest portion of the trust may be used to maintain the two (2) City owned cemeteries within City limits.

CITY OF CHARLOTTESVILLE, VIRGINIA

COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

EXHIBIT J

	Special Revenue Funds						Permanent Fund	Totals
	CDBG	Grants	Human Services	CSA	Transit	Opioid Remediation	Cemetery Perpetual Care	
ASSETS								
Cash, cash equivalents and investments	\$ -	\$ 360,725	\$ -	\$ -	\$ 1,651	\$ 292,653	\$ 162,402	\$ 817,431
Accounts receivable, net	-	-	(257,350)	-	11,029	734,186	100	487,965
Due from other governments	286,408	1,305,795	1,374,493	3,566,133	4,666,293	-	-	11,199,122
Loans receivable	438,772	456,215	-	-	-	-	-	894,987
Inventory	-	-	-	-	253,094	-	-	253,094
Total assets	<u>\$ 725,180</u>	<u>\$ 2,122,735</u>	<u>\$ 1,117,143</u>	<u>\$ 3,566,133</u>	<u>\$ 4,932,067</u>	<u>\$ 1,026,839</u>	<u>\$ 162,502</u>	<u>\$ 13,652,599</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
LIABILITIES								
Accounts payable	\$ 120,680	\$ 164,449	\$ 27,193	\$ 1,700	\$ 256,897	\$ 44,306	\$ -	\$ 615,225
Accrued liabilities	136,760	180,017	223,666	1,483,277	206,914	-	-	2,230,634
Due to other governments	438,772	495,352	-	-	-	-	-	934,124
Due to other funds	28,968	423,839	866,284	1,824,239	4,468,256	-	-	7,611,586
Unearned revenue-other	-	419,697	-	-	-	-	-	419,697
Total liabilities	<u>725,180</u>	<u>1,683,354</u>	<u>1,117,143</u>	<u>3,309,216</u>	<u>4,932,067</u>	<u>44,306</u>	<u>-</u>	<u>11,811,266</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable opioid remediation revenue	-	-	-	-	-	734,186	-	734,186
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>734,186</u>	<u>-</u>	<u>734,186</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	162,502	162,502
Restricted	-	439,381	-	256,917	-	248,347	-	944,645
Assigned	-	-	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>439,381</u>	<u>-</u>	<u>256,917</u>	<u>-</u>	<u>248,347</u>	<u>162,502</u>	<u>1,107,147</u>
Total liabilities deferred inflows of resources and fund balance	<u>\$ 725,180</u>	<u>\$ 2,122,735</u>	<u>\$ 1,117,143</u>	<u>\$ 3,566,133</u>	<u>\$ 4,932,067</u>	<u>\$ 1,026,839</u>	<u>\$ 162,502</u>	<u>\$ 13,652,599</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds						Permanent Fund	Total
	CDBG	Grants	Human Services	CSA	Transit	Opioid Remediation	Cemetery Perpetual	
REVENUES								
Intergovernmental	\$ 817,372	\$ 4,573,620	\$ 277,500	\$ 5,313,304	\$ 9,769,110	-	\$ -	\$ 20,750,906
Charges for services	-	-	3,192,565	-	7,758	-	-	3,200,323
Investment earnings	-	11,382	-	-	-	6,329	5,367	23,078
Miscellaneous	175	-	47,000	-	18,238	146,988	-	212,401
Total revenues	<u>817,547</u>	<u>4,585,002</u>	<u>3,517,065</u>	<u>5,313,304</u>	<u>9,795,106</u>	<u>153,317</u>	<u>5,367</u>	<u>24,186,708</u>
EXPENDITURES								
General government	-	1,143,294	-	-	-	-	-	1,143,294
Public safety	-	1,267,638	-	-	-	45,073	-	1,312,711
Community services	-	-	-	-	12,045,710	-	-	12,045,710
Health and welfare	99,079	829,272	5,434,624	6,859,228	-	-	-	13,222,203
Parks, recreation and culture	-	32,897	-	-	-	-	5,367	38,264
Conservation and development	339,390	1,127,446	-	-	-	-	-	1,466,836
Capital outlay	379,078	263,501	-	-	3,728,083	-	-	4,370,662
Total expenditures	<u>817,547</u>	<u>4,664,048</u>	<u>5,434,624</u>	<u>6,859,228</u>	<u>15,773,793</u>	<u>45,073</u>	<u>5,367</u>	<u>33,599,680</u>
Revenues over (under) expenditures	-	(79,046)	(1,917,559)	(1,545,924)	(5,978,687)	108,244	-	(9,412,972)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	259,815	1,565,901	1,498,808	2,850,654	-	-	6,175,178
Total other financing sources, net	<u>-</u>	<u>259,815</u>	<u>1,565,901</u>	<u>1,498,808</u>	<u>2,850,654</u>	<u>-</u>	<u>-</u>	<u>6,175,178</u>
Net change in fund balance	-	180,769	(351,658)	(47,116)	(3,128,033)	108,244	-	(3,237,794)
FUND BALANCE - JULY 1, 2023	-	258,612	351,658	304,033	-	140,103	162,502	1,216,908
Restatements and Adjustments	-	-	-	-	3,128,033	-	-	3,128,033
FUND BALANCE - JULY 1, 2023 Restated	-	258,612	351,658	304,033	3,128,033	140,103	162,502	4,344,941
FUND BALANCE - JUNE 30, 2024	<u>\$ -</u>	<u>\$ 439,381</u>	<u>\$ -</u>	<u>\$ 256,917</u>	<u>\$ -</u>	<u>\$ 248,347</u>	<u>\$ 162,502</u>	<u>\$ 1,107,147</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,082,553	\$ 1,082,553	\$ 817,372	\$ (265,181)
Investment earnings	-	-	-	-
Miscellaneous	-	-	175	175
Total revenues	1,082,553	1,082,553	817,547	(265,006)
EXPENDITURES				
Current:				
Conservation and development	935,882	949,229	510,782	438,447
Health and welfare	118,110	104,763	125,833	(21,070)
Parks, recreation and culture	-	-	5,367	(5,367)
Capital outlay	-	-	379,078	(379,078)
Total expenditures - budgetary basis	1,053,992	1,053,992	1,021,060	32,932
Less open encumbrances at June 30	-	-	(203,513)	203,513
Total expenditures	1,053,992	1,053,992	817,547	236,445
Revenues over (under) expenditures	28,561	28,561	-	28,561
Net change in fund balance	28,561	28,561	-	28,561
FUND BALANCE - JULY 1, 2023	-	-	-	-
FUND BALANCE - JUNE 30, 2024	\$ 28,561	\$ 28,561	\$ -	\$ 28,561

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS FUND**

YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,008,134	\$ 6,121,981	\$ 4,573,620	\$ (1,548,361)
Investment earnings	-	-	11,382	11,382
Miscellaneous	168,269	649,774	-	(649,774)
Total revenues	<u>2,176,403</u>	<u>6,771,755</u>	<u>4,585,002</u>	<u>(2,186,753)</u>
EXPENDITURES				
Current:				
General government	-	1,187,592	1,143,294	44,298
Public safety	1,191,687	2,588,184	1,316,714	1,271,470
Health and welfare	464,094	1,057,049	829,272	227,777
Parks, recreation and culture	35,624	209,145	32,897	176,248
Conservation and development	558,784	2,195,136	1,277,830	917,306
Stormwater	192,876	192,876	70,592	122,284
Capital outlay	101,059	101,059	292,989	(191,930)
Total expenditures - - budgetary basis	<u>2,544,124</u>	<u>7,531,041</u>	<u>4,963,588</u>	<u>2,567,453</u>
Less open encumbrances at June 30	-	-	(299,540)	299,540
Total expenditures	<u>2,544,124</u>	<u>7,531,041</u>	<u>4,664,048</u>	<u>2,866,993</u>
Revenues over (under) expenditures	<u>(367,721)</u>	<u>(759,286)</u>	<u>(79,046)</u>	<u>680,240</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	139,440	531,148	259,815	(271,333)
Total other financing sources (uses), net	<u>139,440</u>	<u>531,148</u>	<u>259,815</u>	<u>(271,333)</u>
Net change in fund balance	(228,281)	(228,138)	180,769	408,907
FUND BALANCE - JULY 1, 2023	258,612	258,612	258,612	-
FUND BALANCE - JUNE 30, 2024	<u>\$ 30,331</u>	<u>\$ 30,474</u>	<u>\$ 439,381</u>	<u>\$ 408,907</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HUMAN SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 153,614	\$ 153,614	\$ 277,500	\$ 123,886
Charges for services	5,213,721	5,213,721	3,192,565	(2,021,156)
Miscellaneous	55,000	100,000	47,000	(53,000)
Total revenues	<u>5,422,335</u>	<u>5,467,335</u>	<u>3,517,065</u>	<u>(1,950,270)</u>
EXPENDITURES				
Current:				
Health and welfare	6,885,889	7,206,889	5,435,174	1,771,715
Capital outlay	43,357	43,357	40,795	2,562
Total expenditures - budgetary basis	<u>6,885,889</u>	<u>7,206,889</u>	<u>5,475,969</u>	<u>1,771,715</u>
Less open encumbrances at June 30	-	-	(41,345)	(41,345)
Total expenditures	<u>6,885,889</u>	<u>7,206,889</u>	<u>5,434,624</u>	<u>1,813,060</u>
Revenues over (under) expenditures	<u>(1,463,554)</u>	<u>(1,739,554)</u>	<u>(1,917,559)</u>	<u>(137,210)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,506,362	1,782,362	1,565,901	(216,461)
Total other financing sources (uses), net	<u>1,506,362</u>	<u>1,782,362</u>	<u>1,565,901</u>	<u>(216,461)</u>
Net change in fund balance	42,808	42,808	(351,658)	(353,671)
FUND BALANCE - JULY 1, 2023	351,658	351,658	351,658	-
FUND BALANCE - JUNE 30, 2024	<u>\$ 394,466</u>	<u>\$ 394,466</u>	<u>\$ -</u>	<u>\$ 394,466</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHILDREN'S SERVICES ACT FUND
FOR THE YEAR ENDED JUNE 30,2024**

	Budget Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,440,142	\$ 6,440,142	\$ 5,313,304	\$ (1,126,838)
Total revenues	<u>6,440,142</u>	<u>6,440,142</u>	<u>5,313,304</u>	<u>(1,126,838)</u>
EXPENDITURES				
Current:				
Health and welfare	8,344,864	8,344,864	6,859,228	1,485,636
Total expenditures - budgetary basis	<u>8,344,864</u>	<u>8,344,864</u>	<u>6,859,228</u>	<u>1,485,636</u>
Less open encumbrances at June 30	-	-	-	-
Total expenditures	<u>8,344,864</u>	<u>8,344,864</u>	<u>6,859,228</u>	<u>1,485,636</u>
Revenues over (under) expenditures	<u>(1,904,722)</u>	<u>(1,904,722)</u>	<u>(1,545,924)</u>	<u>358,798</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,904,722	1,904,722	1,498,808	(405,914)
Total other financing sources (uses), net	<u>1,904,722</u>	<u>1,904,722</u>	<u>1,498,808</u>	<u>(405,914)</u>
Net change in fund balance	-	-	(47,116)	(47,116)
FUND BALANCE - JULY 1, 2023	304,033	304,033	304,033	-
FUND BALANCE - JUNE 30, 2024	<u>\$ 304,033</u>	<u>\$ 304,033</u>	<u>\$ 256,917</u>	<u>\$ (47,116)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 22,918,207	\$ 21,602,910	\$ 9,769,110	\$ (11,833,799)
Charges for services	25,000	25,000	7,758	(17,242)
Miscellaneous	-	-	18,238	18,238
Total revenues	<u>22,943,207</u>	<u>21,627,910</u>	<u>9,795,106</u>	<u>(11,832,803)</u>
EXPENDITURES				
Current:				
Community services	20,069,386	20,743,389	14,373,318	6,370,071
Capital outlay	9,399,796	7,459,796	3,728,083	3,731,713
Total expenditures - budgetary basis	<u>29,469,182</u>	<u>28,203,185</u>	<u>18,101,401</u>	<u>10,101,784</u>
Less open encumbrances at June 30	-	-	(2,327,608)	2,327,608
Total expenditures	<u>29,469,182</u>	<u>28,203,185</u>	<u>15,773,793</u>	<u>12,429,392</u>
Revenues over (under) expenditures	<u>(6,525,975)</u>	<u>(6,575,275)</u>	<u>(5,978,687)</u>	<u>(596,588)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,231,146	6,280,446	2,850,654	(3,429,793)
Total other financing sources (uses), net	<u>6,231,146</u>	<u>6,280,446</u>	<u>2,850,654</u>	<u>(3,429,793)</u>
Net change in fund balance	(294,829)	(294,829)	(3,128,033)	2,833,204
FUND BALANCE - JULY 1, 2023	-	-	-	-
Restatements and Adjustments			3,128,033	
FUND BALANCE - JULY 1, 2023 Restated			<u>3,128,033</u>	
FUND BALANCE - JUNE 30, 2024	<u>\$ (294,829)</u>	<u>\$ (294,829)</u>	<u>\$ -</u>	<u>\$ 2,833,204</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID REMEDIATION FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings			6,329	6,329
Miscellaneous	\$ -	\$ -	\$ 146,988	\$ 146,987
Total revenues	-	-	153,317	153,316
EXPENDITURES				
Total expenditures - budgetary basis	-	-	45,073	45,073
Revenues over (under) expenditures	-	-	108,244	108,244
Net change in fund balance	-	-	108,244	
FUND BALANCE - JULY 1, 2023	-	-	140,103	-
FUND BALANCE - JUNE 30, 2024	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248,347</u>	<u>\$ 108,244</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Information Technology Fund – to account for the costs of operations of the City’s information technology department.

Departmental Services Fund – to account for the costs of operations of the City’s vehicle repair shop, fuel system, telephone system, and heating and air conditioning services.

Warehouse Fund – to account for the costs of operations of the City’s central warehouse.

Risk Management Fund – to account for the administration of the City’s programs for general liability, property and line of duty insurance coverage. To account for the administration of the City’s self-insurance programs for health care, worker’s compensation.

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2024

	<u>Information Technology</u>	<u>Departmental Services</u>	<u>Warehouse</u>	<u>Risk Management</u>	<u>Total</u>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 9,852,258	\$ 71,205	\$ -	\$ 11,392,277	\$ 21,315,740
Accounts receivable, net	-	-	23,788	-	23,788
Inventories	-	125,244	823,126	-	948,370
Prepaid expenses	-	-	-	93,128	93,128
Total current assets	<u>9,852,258</u>	<u>196,449</u>	<u>846,914</u>	<u>11,485,405</u>	<u>22,381,026</u>
Noncurrent assets:					
Buildings and improvements	-	48,364	-	-	48,364
Vehicles	-	25,200	-	-	25,200
Equipment	9,977,887	320,520	20,067	-	10,318,474
Lease assets	-	5,055	-	-	5,055
SBITA assets	-	2,449	-	-	2,449
Accumulated depreciation	(9,729,640)	(389,722)	(20,067)	-	(10,139,429)
Total noncurrent assets	<u>248,247</u>	<u>11,866</u>	<u>-</u>	<u>-</u>	<u>260,113</u>
Total assets	<u>10,100,505</u>	<u>208,315</u>	<u>846,914</u>	<u>11,485,405</u>	<u>22,641,139</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges-pension	273,909	611,675	56,287	88,385	1,030,256
Deferred charges-OPEB	5,945	146,851	13,784	26,882	193,462
Total deferred outflows of resources	<u>279,854</u>	<u>758,526</u>	<u>70,071</u>	<u>115,267</u>	<u>1,223,718</u>
LIABILITIES					
Current liabilities:					
Accounts payable	12,304	10,005	42,582	140,700	205,591
Accrued liabilities	9,362	55,400	3,218	3,039,749	3,107,729
Due to other funds	-	2,604,513	257,399	-	2,861,912
Liabilities due in less than one year	1,510	7,131	611	906	10,158
Total current liabilities	<u>23,176</u>	<u>2,677,049</u>	<u>303,810</u>	<u>3,181,355</u>	<u>6,185,390</u>
Noncurrent liabilities:					
Liabilities due in more than one year	11,076	56,652	4,481	6,644	78,853
Net pension liability	1,530,122	1,106,416	130,623	44,567	2,811,728
Net OPEB liability	893,157	108,116	8,989	10,362	1,020,624
Total noncurrent liabilities	<u>2,434,355</u>	<u>1,271,184</u>	<u>144,093</u>	<u>61,573</u>	<u>3,911,205</u>
Total liabilities	<u>2,457,531</u>	<u>3,948,233</u>	<u>447,903</u>	<u>3,242,928</u>	<u>10,096,595</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred charges-pension	119,384	132,384	26,431	30,881	309,080
Deferred charges-OPEB	54,834	192,063	34,324	28,985	310,206
Total deferred inflows of resources	<u>174,218</u>	<u>324,447</u>	<u>60,755</u>	<u>59,866</u>	<u>619,286</u>
NET POSITION					
Net investment in capital assets	248,248	7,509	-	-	255,757
Unrestricted	7,500,362	(3,313,348)	408,327	8,297,878	12,893,219
Total net position	<u>\$ 7,748,610</u>	<u>\$ (3,305,839)</u>	<u>\$ 408,327</u>	<u>\$ 8,297,878</u>	<u>\$ 13,148,976</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**

JUNE 30, 2024

	Information Technology	Departmental Services	Warehouse	Risk Management	Total
OPERATING REVENUES					
Charges for services	\$ 1,518,725	\$ 2,624,930	\$ 965,201	\$ 21,218,153	\$ 26,327,009
Total operating revenues	<u>1,518,725</u>	<u>2,624,930</u>	<u>965,201</u>	<u>21,218,153</u>	<u>26,327,009</u>
OPERATING EXPENSES					
Purchases for resale	-	784,322	786,135	-	1,570,457
Personnel costs	192,246	985,239	142,348	327,228	1,647,061
Materials and supplies	214,539	102,177	2,354	22,677	341,747
Contractual services and charges	853,547	1,136,595	38,997	648,431	2,677,570
Depreciation	158,922	25,398	-	-	184,320
Claims incurred	-	-	-	21,201,474	21,201,474
Insurance premiums	-	-	-	3,493,947	3,493,947
Total operating expenses	<u>1,419,254</u>	<u>3,033,731</u>	<u>969,834</u>	<u>25,693,757</u>	<u>31,116,576</u>
Operating income (loss)	<u>99,471</u>	<u>(408,801)</u>	<u>(4,633)</u>	<u>(4,475,604)</u>	<u>(4,789,567)</u>
NONOPERATING REVENUES					
Interest income	-	-	-	277,827	277,827
Insurance recovery	-	-	-	294,683	294,683
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>572,510</u>	<u>572,510</u>
Profit/(Loss) before transfers	<u>99,471</u>	<u>(408,801)</u>	<u>(4,633)</u>	<u>(3,903,094)</u>	<u>(4,217,057)</u>
Transfers in	1,849,841	-	-	-	1,849,841
Change in net position	<u>1,949,312</u>	<u>(408,801)</u>	<u>(4,633)</u>	<u>(3,903,094)</u>	<u>(2,367,216)</u>
Total net position - July 1, 2023	<u>5,799,297</u>	<u>(2,897,945)</u>	<u>412,960</u>	<u>12,200,970</u>	<u>15,515,282</u>
Restatements and Adjustments	-	910	-	-	910
Total net position - July 1, 2023 Restated	<u>5,799,297</u>	<u>(2,897,035)</u>	<u>412,960</u>	<u>12,200,970</u>	<u>15,516,192</u>
Total net position - June 30, 2024	<u>\$ 7,748,609</u>	<u>\$ (3,305,836)</u>	<u>\$ 408,327</u>	<u>\$ 8,297,876</u>	<u>\$ 13,148,976</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**
JUNE 30, 2024

	<u>Information Technology</u>	<u>Departmental Services</u>	<u>Warehouse</u>	<u>Risk Management</u>	<u>Total</u>
OPERATING ACTIVITIES					
Receipts from customers	\$ 1,518,724	\$ 2,624,930	\$ 1,066,609	\$ 21,222,353	\$ 26,432,616
Payments to suppliers	(1,159,646)	(1,525,493)	(909,895)	(25,318,462)	(28,913,496)
Payments to employees	(214,298)	(1,224,942)	(156,714)	(230,248)	(1,826,202)
Net cash provided by (used in) operating activities	<u>144,780</u>	<u>(125,505)</u>	<u>-</u>	<u>(4,326,357)</u>	<u>(4,307,082)</u>
NONCAPITAL FINANCING ACTIVITIES					
Insurance recovery	-	-	-	294,683	294,683
Transfers in	1,849,841	-	-	-	1,849,841
Net cash provided by (used in) noncapital financing activities	<u>1,849,841</u>	<u>-</u>	<u>-</u>	<u>294,683</u>	<u>2,144,524</u>
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INVESTING ACTIVITIES					
Interest on investments	-	-	-	277,827	277,827
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,827</u>	<u>277,827</u>
Net increase (decrease) in cash and cash equivalents	1,994,621	(125,505)	-	(3,753,847)	(1,884,731)
Balances - July 1, 2023	<u>7,857,637</u>	<u>196,710</u>	<u>-</u>	<u>15,146,122</u>	<u>23,200,469</u>
Balances - June 30, 2024	<u>\$ 9,852,258</u>	<u>\$ 71,205</u>	<u>\$ -</u>	<u>\$ 11,392,277</u>	<u>\$ 21,315,740</u>
Reconciliation of operating income (loss) to net cash used in operating activities					
Operating Income (Loss)	99,471	(408,801)	(4,633)	(4,475,604)	(4,789,567)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	158,922	25,398	-	-	184,320
(Increase) decrease in accounts receivable	-	-	101,408	-	101,408
(Increase) decrease in inventories	-	207	174,826	-	175,033
Increase (decrease) in accounts payable	(91,561)	497,394	(257,234)	(162,544)	(13,945)
Increase (decrease) in accrued liabilities	2,184	(2,094)	258	14,668	15,016
Increase (decrease) in compensated absences	2,041	(6,981)	213	258	(4,469)
Increase (decrease) in insurance claims payable	-	-	-	318,969	318,969
Net pension liability change for measurement year	(22,574)	(128,809)	(5,754)	(12,335)	(169,472)
Net OPEB liability change for measurement year	(3,703)	(101,819)	(9,084)	(9,769)	(124,375)
Net cash provided by (used in) operating activities	<u>\$ 144,780</u>	<u>\$ (125,505)</u>	<u>\$ -</u>	<u>\$ (4,326,357)</u>	<u>\$ (4,307,082)</u>



**CHARLOTTESVILLE SCHOOL BOARD
COMPONENT UNIT**

Financial Statements

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
 STATEMENT OF NET POSITION
 JUNE 30, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 33,953,467
Accounts receivable, net	687,307
Due from other governments	9,649,408
Inventories	5,513
Net pension asset	1,964,243
Capital assets:	
Land	982,889
Depreciable assets, net	<u>16,838,133</u>
Total assets	<u>64,080,960</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges - pension	14,119,243
Deferred charges - OPEB	<u>1,830,357</u>
Total deferred outflows of resources	<u>15,949,600</u>
LIABILITIES	
Accounts payable	7,725,417
Accrued liabilities	5,981,278
Due to other governments	2,666,746
Unearned revenue	14,208
Long-term liabilities:	
Amounts due within one year	348,606
Amounts due in more than one year	2,556,441
Net pension liability	44,630,384
Net OPEB liability	<u>10,133,013</u>
Total liabilities	<u>74,056,093</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred credits - pension	8,237,794
Deferred credits - OPEB	<u>2,571,964</u>
Total deferred inflows of resources	<u>10,809,758</u>
NET POSITION	
Net investment in capital assets	17,821,022
Restricted	15,402,963
Restricted for Net Pension Asset	1,964,243
Unrestricted	<u>(40,023,518)</u>
Total net position	<u>\$ (4,835,290)</u>

**DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction and instruction related services	\$ 66,695,293	\$ 2,009,733	\$ 30,573,025	\$ -
Support services - student based	34,661,742	492,564	-	-
Administrative support services	9,460,368	289,543	-	-
Total School Board	<u>\$ 110,817,403</u>	<u>\$ 2,791,840</u>	<u>\$ 30,573,025</u>	<u>\$ -</u>
General Revenues:				
				24,940,099
				62,324,037
				<u>87,264,136</u>
				9,811,598
				<u>(14,646,888)</u>
				<u>\$ (4,835,290)</u>

**DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	<u>General Fund</u>	<u>Grant and Other Governmental Funds</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 16,064,507	\$ 13,782,011	\$ 29,846,518
Accounts receivable, net	571,290	113,907	685,197
Due from other governments	646,236	9,003,172	9,649,408
Inventory of supplies	-	5,513	5,513
Total assets	<u>\$ 17,282,033</u>	<u>\$ 22,904,603</u>	<u>\$ 40,186,636</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,158,927	\$ 6,566,490	\$ 7,725,417
Accrued liabilities	4,581,941	920,942	5,502,883
Due to other governments	(216,149)	-	(216,149)
Unearned Revenue	-	14,208	14,208
Due to City - Gainshare	2,666,746	-	2,666,746
Total liabilities	<u>8,191,465</u>	<u>7,501,640</u>	<u>15,693,105</u>
Fund Balance			
Nonspendable	-	5,513	5,513
Restricted	-	15,397,450	15,397,450
Unassigned	9,090,568	-	9,090,568
Total fund balances	<u>9,090,568</u>	<u>15,402,963</u>	<u>24,493,531</u>
Total liabilities and fund balances	<u>\$ 17,282,033</u>	<u>\$ 22,904,603</u>	<u>\$ 40,186,636</u>
Total fund balances per Balance Sheet for Governmental Funds			\$ 24,493,531
Amounts reported for governmental activities in the Statement of Net Position (Exhibit M-1) are different because:			
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The Statement of Net Position, however, includes these assets, net of accumulated depreciation.			17,821,022
Other long-term assets are not available to pay current-period expenditures and therefore are deferred in the governmental funds are not included in the fund balance.			
Net Pension Asset			1,964,243
Net deferred outflows of resources for pension changes			14,119,243
Net deferred outflows of resources for OPEB changes			1,830,357
Internal service funds are used by management to charge the cost of certain activities. The assets and liabilities of the Healthcare Fund are included in governmental activities in the Statement of Net Position.			
Internal Service Fund net position			3,414,516
Some liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities are included in the Statement of Net Position			
Net deferred inflows of resources for pension changes			(8,237,794)
Net deferred inflows of resources for OPEB changes			(2,571,964)
Compensated absences			(2,905,047)
Net pension liability			(44,630,384)
Net OPEB liability			(10,133,013)
Net position of governmental activities			<u>\$ (4,835,290)</u>

**DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Grant and Other Governmental Funds</u>	<u>Totals</u>
REVENUES			
City contribution (net of contactual services)	\$ 52,371,106	\$ 5,970,442	\$ 58,341,548
Intergovernmental	24,940,099	30,573,025	55,513,124
Charges for services	492,564	209,316	701,880
Miscellaneous	289,543	1,800,416	2,089,959
Total revenues	<u>78,093,312</u>	<u>38,553,199</u>	<u>116,646,511</u>
EXPENDITURES			
Current:			
Instruction and instruction related services	56,589,621	11,989,348	68,578,969
Support services - student based	9,585,018	22,875,801	32,460,819
Administrative support services	9,651,928	-	9,651,928
Total expenditures	<u>75,826,567</u>	<u>34,865,149</u>	<u>110,691,716</u>
REVENUES OVER EXPENDITURES	<u>2,266,745</u>	<u>3,688,050</u>	<u>5,954,795</u>
Net change in fund balance	2,266,745	3,688,050	5,954,795
FUND BALANCE - JULY 1, 2023	<u>6,823,823</u>	<u>11,714,913</u>	<u>18,538,735</u>
FUND BALANCE - JUNE 30, 2024	<u>\$ 9,090,568</u>	<u>\$ 15,402,963</u>	<u>\$ 24,493,531</u>
Net change in fund balances - total governmental funds			\$ 5,954,795
Amounts reported for governmental activities in the Statement of Activities (M-2) are different because:			
Governmental funds report the cost of equipment and facilities acquired as current expenditures while the Statement of Activities reports depreciation expense to allocate those expenditures over the life of the assets.			
Cost of equipment and facilities capitalized for the year (net of disposals)			664,133
Depreciation expense			(1,612,247)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.			
Change in compensated absences			(400,900)
Change in pension outflows and inflows			5,522,594
Change in OPEB outflows and inflows			(372,349)
Change in net pension liability			(788,683)
Change in net OPEB liability			1,126,129
The net income of internal service funds is combined with governmental activities on the Statement of Activities			
			<u>(281,873)</u>
Change in net position of governmental activities			<u>\$ 9,811,599</u>

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2024

	<u>Healthcare</u>
ASSETS	
Cash and cash equivalents	\$ 4,106,949
Accounts receivable, net	<u>2,111</u>
Total assets	<u>4,109,060</u>
 ACCRUED LIABILITIES	
Insurance claims payable	<u>694,544</u>
Total liabilities	<u>694,544</u>
 NET POSITION	
Unrestricted	<u>3,414,516</u>
Total net position	<u><u>\$ 3,414,516</u></u>

**DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Healthcare</u>
OPERATING REVENUES	
Charges for services	\$ 9,747,531
Total operating revenues	<u>9,747,531</u>
 OPERATING EXPENSES	
Claims incurred and related charges	10,029,404
Total operating expenses	<u>10,029,404</u>
 Operating income	<u>(281,873)</u>
 Change in net position	(281,873)
 Total net position - July 1, 2023	<u>3,696,389</u>
Total net position - June 30, 2024	<u>\$ 3,414,516</u>

**DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Healthcare</u>
OPERATING ACTIVITIES	
Receipts from customers	\$ 9,750,756
Payments to suppliers	<u>(9,952,251)</u>
Net cash provided by operating activities	<u>(201,495)</u>
Net increase in cash and cash equivalents	(201,495)
Cash and cash equivalents July 1, 2023	<u>4,308,444</u>
Cash and cash equivalents, June 30, 2024	<u>\$ 4,106,949</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (281,873)
Adjustments to reconcile operating income to net	
Decrease in accounts receivables	3,225
Increase in insurance claims payable	<u>77,153</u>
Net cash provided by operating activities	<u>\$ (201,495)</u>



STATISTICAL SECTION

STATISTICAL SECTION

This section of the City of Charlottesville's Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City of Charlottesville's overall financial health.

Contents

Financial Trends

Tables 1 - 4

These schedules show comparative information about how the City's financial performance has changed over time.

Revenue Capacity

Tables 5 - 10

These schedules show the City's significant local revenue sources and how they have changed over time.

Debt Capacity

Tables 11 - 14

These schedules demonstrate the affordability of the City's outstanding debt along with the City's ability to issue additional debt in the future.

Economic and Demographic Information

Tables 15 - 17

These schedules show the some of the economic and demographic trends that affect the financial health of the City.

Operating Information

Tables 18 - 20

These schedules contain service and infrastructure data to show some of the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in this section is derived from the City's Annual Financial Reports for the relevant year.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 1

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Net investment in capital assets	\$ 272,671,666	\$ 178,213,360	\$ 146,771,789	\$ 148,423,736	\$ 156,302,696	\$ 150,327,831	\$ 147,349,262	\$ 129,422,307	\$ 138,310,542	\$ 132,554,513
Restricted For:										
Expendable	1,835,526	1,247,928	1,227,703	-	-	-	340,099	378,342	1,097,425	2,200,311
Nonexpendable	162,502	162,502	171,962	1,109,033	961,814	668,533	184,504	5,663,251	4,891,126	162,501
Unrestricted	3,638,688	52,726,131	23,331,106	138,014	(11,771,787)	(6,781,306)	(10,616,958)	34,145,789	11,167,288	23,465,667
Total governmental activities net position	<u>\$ 278,308,382</u>	<u>\$ 232,349,921</u>	<u>\$ 171,502,560</u>	<u>\$ 149,670,783</u>	<u>\$ 145,492,723</u>	<u>\$ 144,215,058</u>	<u>\$ 137,256,907</u>	<u>\$ 169,609,689</u>	<u>\$ 155,466,381</u>	<u>\$ 158,382,992</u>
Business-type activities:										
Net investment in capital assets	\$ 59,048,149	\$ 50,401,414	\$ 44,909,801	\$ 45,218,630	\$ 49,896,266	\$ 43,208,912	\$ 41,719,356	\$ 33,246,970	\$ 28,416,350	\$ 26,407,757
Restricted-expendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	11,822,988	16,035,663	21,607,679	12,639,169	5,036,771	8,577,443	5,800,462	19,663,499	24,816,588	21,070,253
Total business-type activities net position	<u>\$ 70,871,137</u>	<u>\$ 66,437,077</u>	<u>\$ 66,517,480</u>	<u>\$ 57,857,799</u>	<u>\$ 54,933,037</u>	<u>\$ 51,786,355</u>	<u>\$ 47,519,818</u>	<u>\$ 52,910,469</u>	<u>\$ 53,232,938</u>	<u>\$ 47,478,010</u>
Primary Government:										
Net investment in capital assets	\$ 331,719,815	\$ 228,614,774	\$ 191,681,590	\$ 193,642,366	\$ 206,198,962	\$ 193,536,743	\$ 189,068,618	\$ 162,669,277	\$ 166,726,892	\$ 158,962,270
Restricted For:										
Expendable	1,835,526	1,247,928	1,227,703	-	-	-	340,099	378,342	1,097,425	2,200,311
Nonexpendable	162,502	162,502	171,962	1,109,033	961,814	668,533	184,504	5,663,251	4,891,126	162,501
Unrestricted	15,461,676	68,761,794	44,938,785	12,777,183	(6,735,016)	1,796,137	(4,816,496)	53,809,288	35,983,876	44,535,920
Total primary government net position	<u>\$ 349,179,519</u>	<u>\$ 298,786,998</u>	<u>\$ 238,020,040</u>	<u>\$ 207,528,582</u>	<u>\$ 200,425,760</u>	<u>\$ 196,001,413</u>	<u>\$ 184,776,725</u>	<u>\$ 222,520,158</u>	<u>\$ 208,699,319</u>	<u>\$ 205,861,002</u>

Source: City of Charlottesville Comprehensive Annual Financial Report - Exhibit A

Schedule prepared using the accrual basis of accounting

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental activities:										
General government	\$ 43,974,181	\$ 29,628,675	\$ 40,219,990	\$ 32,639,091	\$ 28,371,946	\$ 28,445,537	\$ 21,921,172	\$ 25,116,791	\$ 27,127,026	\$ 26,796,174
Public safety	40,416,952	41,402,137	37,098,350	38,168,385	39,716,740	39,513,247	39,334,221	45,118,838	38,827,913	33,615,196
Community services	27,853,469	29,215,029	21,951,554	24,058,257	22,139,189	22,110,867	19,938,224	25,259,071	23,003,605	22,323,559
Health and welfare	34,511,833	35,020,443	35,027,830	36,271,499	35,800,041	35,670,836	34,893,670	37,155,165	31,493,206	31,115,213
Parks, recreation and culture	18,330,724	15,972,266	15,212,695	12,079,902	14,638,408	14,061,131	13,476,760	17,120,453	13,868,610	12,782,459
Education	69,903,190	65,924,088	66,009,065	59,179,414	59,941,139	55,709,768	52,237,967	52,714,685	50,053,416	52,968,559
Conservation and development	18,366,910	14,602,408	17,443,746	16,759,036	18,093,478	15,426,140	15,142,115	12,626,012	10,244,623	9,501,823
Interest on long-term debt	2,626,108	2,342,281	1,694,940	1,892,395	919,779	860,768	3,705,543	1,746,162	2,465,754	3,604,179
Total governmental activities	<u>255,983,367</u>	<u>234,107,327</u>	<u>234,658,170</u>	<u>221,047,979</u>	<u>219,620,720</u>	<u>211,798,294</u>	<u>200,649,672</u>	<u>216,857,177</u>	<u>197,084,153</u>	<u>192,707,162</u>
Business-type activities:										
Water	13,567,474	12,552,647	11,441,564	10,560,049	10,183,626	10,037,485	9,056,356	8,971,472	8,332,731	8,988,566
Sewer	13,815,189	12,894,454	12,305,110	12,914,698	12,244,661	13,623,419	10,762,194	10,301,902	10,583,241	10,770,341
Gas	22,090,866	28,831,476	28,114,095	21,447,761	19,019,501	22,276,461	23,467,175	23,698,603	18,420,330	26,493,000
Other enterprise funds	2,699,247	2,743,763	2,475,771	2,442,938	2,355,636	1,616,129	1,459,846	1,534,483	1,393,942	1,341,548
Total business-type activities	<u>52,172,776</u>	<u>57,022,340</u>	<u>54,336,540</u>	<u>47,365,446</u>	<u>43,803,424</u>	<u>47,553,494</u>	<u>44,745,571</u>	<u>44,506,460</u>	<u>38,730,244</u>	<u>47,593,455</u>
Total Primary Government Expenses	\$ 308,156,143	\$ 291,129,667	\$ 288,994,710	\$ 268,413,425	\$ 263,424,144	\$ 259,351,788	\$ 245,395,243	\$ 261,363,637	\$ 235,814,397	\$ 240,300,617
Program Revenues										
Governmental activities:										
Charges for Services										
General government	\$ 12,232,227	\$ 12,169,364	\$ 10,936,503	\$ 2,164,225	\$ 2,059,764	\$ 2,171,318	\$ 900,906	\$ 7,808,336	\$ 13,289,075	\$ 13,365,582
Public safety	434,722	377,848	163,913	92,620	167,254	56,035	165,172	7,130,597	12,349	16,206
Community services	609,062	1,319,311	654,851	859,721	1,186,067	1,305,654	1,336,122	5,112,907	1,968,282	1,808,948
Health and welfare	3,194,648	3,692,546	4,440,760	4,525,367	4,746,752	5,235,853	5,594,608	8,753,432	4,653,306	4,588,956
Parks, recreation and culture	1,083,549	1,043,233	850,046	389,345	974,336	1,588,889	1,117,006	5,350,770	1,630,679	1,744,910
Education	139,260	123,841	53,133	12,336	163,775	210,003	209,591	1,288,687	214,120	243,413
Conservation and development	4,236,126	3,017,383	2,913,388	2,328,459	4,143,519	4,803,067	2,787,740	3,922,782	40,047	34,496
Operating Grants and Contributions										
General government	4,925,027	3,163,129	3,641,175	11,101,348	3,099,467	3,065,503	2,503,684	29,242,564	151,621	2,212,016
Public safety	6,187,590	6,844,173	5,257,546	4,856,650	4,980,799	4,686,110	997,666	1,636,764	718,675	889,252
Community services	14,816,041	22,827,948	10,033,919	8,891,692	9,203,947	7,623,041	8,204,371	5,441,190	5,028,690	11,009,042
Health and welfare	1,413,928	3,271,626	7,540,124	3,105,847	1,728,546	1,838,249	18,423,390	17,076,168	16,730,096	17,046,746
Parks, recreation and culture	398,131	222,920	382,125	700,518	235,102	621,157	644,671	467,158	218,771	142,942
Education	14,611,088	2,716,934	3,193,106	200,000	200,000	-	228,081	347,685	217,188	269,716
Conservation and development	6,182,531	1,606,738	2,680,887	4,659,459	529,701	3,502,830	3,292,265	4,506,454	185,529	133,588
Gas	-	-	-	-	-	-	-	0	-	-
Capital Grants and Contributions										
General government	-	241,665	568,595	193,071	-	-	-	-	-	-
Public safety	-	-	592,409	34,370	-	154,845	(34,568,687)	(34,568,687)	-	-
Community services	-	2,948,082	-	1,779,503	-	661,930	411,471	592,408	3,039,031	6,948,100
Parks, recreation and culture	-	-	518,523	-	1,131,851	1,131,851	1,131,851	1,131,851	-	-
Education	140,552	475,028	946,047	-	-	-	-	-	119,915	144,700
Conservation and development	-	3,178,341	486,746	-	4,626,998	60,800	3,323,240	5,977,748	-	33,162
Total governmental activities	<u>70,604,482</u>	<u>69,262,620</u>	<u>55,853,796</u>	<u>45,894,531</u>	<u>39,177,878</u>	<u>38,717,135</u>	<u>16,703,148</u>	<u>71,218,814</u>	<u>48,217,374</u>	<u>60,631,775</u>
Business-type activities:										
Charges for Services										
Water	16,913,147	15,194,347	13,674,925	12,254,574	12,578,445	11,815,767	11,049,045	11,189,236	10,311,760	9,868,917
Sewer	16,802,775	15,804,318	15,423,099	14,928,814	15,531,423	15,201,858	14,562,317	14,704,642	13,254,116	11,970,322
Gas	25,813,332	28,363,102	34,881,091	25,453,987	21,209,685	27,104,835	22,419,210	20,544,734	22,813,188	30,826,233
Other enterprise funds	3,359,503	3,366,606	3,267,081	3,228,518	2,844,140	2,720,462	2,780,797	2,810,284	2,719,146	2,818,345
Operating Grants and Contributions										
Other enterprise funds	314,368	19,613	50,915	-	-	-	-	-	-	-
Capital Grants and Contributions										
Other enterprise funds	-	-	-	-	-	-	-	-	-	68,552
Total business-type activities	<u>63,203,125</u>	<u>62,747,986</u>	<u>67,297,111</u>	<u>55,865,893</u>	<u>52,163,693</u>	<u>56,842,922</u>	<u>50,811,369</u>	<u>49,248,896</u>	<u>49,098,210</u>	<u>55,552,369</u>
Total Primary Government Revenues	\$ 133,807,607	\$ 132,010,606	\$ 123,150,907	\$ 101,760,424	\$ 91,341,571	\$ 95,560,057	\$ 67,514,517	\$ 120,467,710	\$ 97,315,584	\$ 116,184,144

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense) Revenue										
Governmental activities:										
General government	\$ (26,816,927)	\$ (14,054,517)	\$ (25,073,717)	\$ (19,180,447)	\$ (23,212,715)	\$ (23,208,716)	\$ (18,516,582)	\$ 11,934,109	\$ (13,686,330)	\$ (11,218,576)
Public safety	(33,794,640)	(34,180,116)	(31,084,482)	(33,184,745)	(34,568,687)	(34,616,257)	(72,740,070)	(70,920,164)	(38,096,889)	(32,709,738)
Community services	(12,428,366)	(2,119,688)	(11,262,784)	(12,527,341)	(11,749,175)	(12,520,242)	(9,986,260)	(14,112,566)	(12,967,602)	(2,557,469)
Health and welfare	(29,903,257)	(28,056,271)	(22,528,423)	(28,640,285)	(28,192,892)	(27,464,883)	(9,743,821)	(10,193,714)	(10,109,804)	(9,479,511)
Parks, recreation and culture	(16,849,044)	(14,706,113)	(13,462,001)	(10,990,039)	(12,297,119)	(10,719,234)	(10,583,232)	(10,170,674)	(12,019,160)	(10,894,607)
Education	(55,012,290)	(62,608,285)	(61,816,779)	(58,967,078)	(59,577,364)	(55,499,765)	(51,800,295)	(51,078,313)	(49,502,193)	(52,310,730)
Conservation and development	(7,948,253)	(6,799,946)	(11,362,725)	(9,771,118)	(8,793,260)	(7,059,443)	(5,738,870)	1,780,972	(10,019,047)	(9,333,739)
Interest on long-term debt	(2,626,108)	(2,342,281)	(1,694,940)	(1,892,395)	(919,779)	(860,768)	(3,705,543)	(1,746,162)	(2,465,754)	(3,604,179)
Gas	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>(185,378,885)</u>	<u>(164,867,217)</u>	<u>(178,285,851)</u>	<u>(175,153,448)</u>	<u>(179,310,991)</u>	<u>(171,949,308)</u>	<u>(182,814,673)</u>	<u>(144,506,512)</u>	<u>(148,866,779)</u>	<u>(132,108,549)</u>
Business-type activities:										
Water	3,345,673	2,641,700	2,233,361	1,694,525	2,394,819	1,778,282	1,992,689	2,217,764	1,979,029	880,351
Sewer	2,987,586	2,909,864	3,117,989	2,014,116	3,286,762	1,578,439	3,800,123	4,402,740	2,670,875	1,199,981
Gas	3,722,466	(468,374)	6,766,996	4,006,226	2,190,184	4,828,374	(1,047,965)	(3,153,869)	4,392,858	4,333,233
Other enterprise funds	974,624	642,456	842,225	785,580	488,504	1,104,333	1,320,951	1,275,801	1,325,204	1,476,797
Total business-type activities	<u>11,030,349</u>	<u>5,725,646</u>	<u>12,960,571</u>	<u>8,500,447</u>	<u>8,360,269</u>	<u>9,289,428</u>	<u>6,065,798</u>	<u>4,742,436</u>	<u>10,367,966</u>	<u>7,890,362</u>
Total Primary Government Net Expense	<u>\$ (174,348,536)</u>	<u>\$ (159,141,571)</u>	<u>\$ (165,325,280)</u>	<u>\$ (166,653,001)</u>	<u>\$ (170,950,722)</u>	<u>\$ (162,659,880)</u>	<u>\$ (176,748,875)</u>	<u>\$ (139,764,076)</u>	<u>\$ (138,498,813)</u>	<u>\$ (124,218,187)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
General Revenues										
General property taxes	\$ 117,980,334	\$ 110,208,465	\$ 97,568,094	\$ 89,152,047	\$ 84,518,162	\$ 80,460,113	\$ 75,042,232	\$ 68,384,143	\$ 62,940,310	\$ 59,566,818
Sales tax	15,173,277	14,377,795	14,526,660	12,202,161	11,497,058	11,876,599	11,619,460	11,670,485	11,466,250	10,767,263
Utility tax	4,684,886	4,584,020	4,611,301	4,477,998	4,491,483	4,764,420	4,616,495	4,540,179	4,478,748	4,614,299
Communications tax	19,477,422	-	2,288,232	2,357,526	2,654,196	2,716,128	2,927,794	3,022,277	3,098,436	3,192,960
Meals tax	8,057,630	18,632,606	15,925,582	11,032,143	12,600,643	12,212,802	11,781,447	11,746,648	11,320,042	8,703,398
Lodging tax	1,692,539	8,118,587	7,222,710	3,792,490	5,049,858	5,659,226	5,151,629	4,846,549	3,664,156	3,166,309
Other taxes	2,454,269	4,118,076	4,306,912	4,284,816	11,587,139	12,261,038	4,256,433	4,593,226	4,511,753	4,319,279
Business license tax	792,880	783,327	722,740	8,249,480	1,457,867	1,447,032	8,767,125	7,918,093	6,925,402	6,788,971
Grants and contributions not restricted	42,058,938	39,647,809	45,108,421	37,787,437	37,969,151	39,975,597	27,056,841	-	30,117,894	23,502,728
Unrestricted revenue from use of money and property	1,012,418	899,545	1,153,333	471,689	1,658,588	1,893,575	1,297,431	-	-	-
Interest and investment earnings	6,104,226	2,916,023	(823,391)	749,166	1,223,063	1,033,337	-	406,625	341,347	365,070
Leases	248,023	232,055	209,163	-	-	-	-	-	-	-
Miscellaneous	1,551,902	1,594,719	1,678,536	945,673	1,319,692	896,195	980,353	-	-	-
Transfers, net	6,832,218	5,999,804	6,137,857	5,776,201	5,648,201	5,567,298	5,264,759	-	-	-
Gain from sale of assets	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>228,120,962</u>	<u>212,112,831</u>	<u>200,636,150</u>	<u>181,278,827</u>	<u>181,675,101</u>	<u>180,763,360</u>	<u>158,761,999</u>	<u>117,128,225</u>	<u>138,864,338</u>	<u>124,987,095</u>
Business-type activities:										
Unrestricted revenue from use of money and property	10,861	7,660	6,052	-	-	-	-	-	-	-
Interest on investment earnings	208,307	186,095	78,442	66,122	123,969	206,128	-	101,036	141,362	113,151
Miscellaneous	16,772	-	1,752,473	-	-	-	-	-	-	-
Transfers, net	(6,832,218)	(5,999,804)	(6,137,857)	-	-	-	-	-	-	-
Total business-type activities	<u>(6,596,278)</u>	<u>7,660</u>	<u>6,052</u>	<u>-</u>						
Total Primary Government Revenues	<u>\$ 221,524,684</u>	<u>\$ 212,120,491</u>	<u>\$ 200,642,202</u>	<u>\$ 181,278,827</u>	<u>\$ 181,675,101</u>	<u>\$ 180,763,360</u>	<u>\$ 158,761,999</u>	<u>\$ 117,128,225</u>	<u>\$ 138,864,338</u>	<u>\$ 124,987,095</u>
Change in net position										
Governmental Activities	\$ 42,742,077	\$ 47,268,124	\$ 21,831,777	\$ 6,125,379	\$ 1,232,259	\$ 6,550,350	\$ 8,252,311	\$ 10,372,952	\$ (4,803,942)	\$ (1,773,911)
Business-type Activities	\$ 4,434,071	\$ (80,403)	\$ 8,659,681	\$ 3,716,635	\$ 3,146,682	\$ 4,266,537	\$ 1,099,874	\$ (322,469)	\$ 5,310,729	\$ 2,757,684
Total change in net position	<u>\$ 47,176,148</u>	<u>\$ 47,187,721</u>	<u>\$ 30,491,458</u>	<u>\$ 9,842,014</u>	<u>\$ 4,378,941</u>	<u>\$ 10,816,887</u>	<u>\$ 9,352,185</u>	<u>\$ 10,050,483</u>	<u>\$ 365,525</u>	<u>\$ 983,773</u>

Source: City of Charlottesville Comprehensive Annual Financial Report - Exhibit B

Schedule prepared using the accrual basis of accounting

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 31,383	\$ -	\$ 9,460	\$ 9,460	\$ 25,970	\$ 1,920	\$ 22,002	\$ -	\$ -	\$ -
Restricted	665,613	559,223	602,542	414,753	484,048	327,770	637,910	-	656,777	728,278
Committed	9,428,289	6,289,041	6,335,548	14,483,982	9,435,257	7,990,059	8,779,538	4,931,956	6,732,612	6,363,639
Assigned	2,611,908	1,908,229	37,971,591	3,186,325	4,458,676	6,229,997	5,818,834	1,102,935	7,804,945	5,130,563
Unassigned	61,135,262	63,391,418	21,355,113	35,319,585	32,544,441	33,272,338	30,502,351	41,933,825	29,054,913	28,251,814
Total General Fund	\$ 73,872,455	\$ 72,147,911	\$ 66,274,254	\$ 53,404,645	\$ 46,922,422	\$ 47,820,164	\$ 45,738,633	\$ 47,968,716	\$ 44,249,247	\$ 40,474,294
All Other Governmental Funds										
Nonspendable	\$ 162,502	\$ 162,502	\$ 2,692,502	\$ 162,502	\$ 162,502	\$ 162,502	\$ 162,502	\$ 5,663,250	\$ 4,891,126	\$ 1,260,860
Restricted	944,645	702,748	625,161	495,809	292,296	176,341	2,951,459	8,300,066	440,648	6,159,927
Committed	18,655,621	23,290,672	12,987,110	13,225,476	13,410,790	12,830,074	11,905,368	15,541,112	12,082,178	11,745,744
Assigned	4,770,407	30,452,636	29,044,917	21,314,234	7,895,219	16,622,433	18,153,704	1,977,246	7,770,919	5,928,263
Unassigned	-	-	-	1,411,224	-	-	(5,117,190)	-	-	-
Total All Other Governmental Funds	\$ 24,533,175	\$ 54,608,558	\$ 45,349,690	\$ 36,609,245	\$ 21,760,807	\$ 29,791,350	\$ 28,055,843	\$ 31,481,674	\$ 25,184,871	\$ 25,094,794

Source: City of Charlottesville Comprehensive Annual Financial Report - Exhibit C

Note: Fiscal years prior to 2018 have not been restated for GASB 75.

Schedule prepared using the modified accrual basis of accounting

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
General property taxes	\$ 171,701,688	\$ 162,261,369	\$ 146,877,665	\$ 135,496,329	\$ 133,162,943	\$ 130,457,652	\$ 122,940,708	\$ 116,721,600	\$ 108,365,439	\$ 101,869,696
Fee and permits	11,790,257	11,521,135	10,944,026	2,814,829	2,945,186	2,852,058	2,719,933	2,575,469	2,169,777	2,283,546
Intergovernmental	87,510,074	83,604,425	72,572,090	70,401,027	60,981,652	60,040,284	61,458,198	61,924,408	55,268,548	60,955,964
Charges for services	11,871,020	12,583,950	12,118,772	10,892,325	13,952,648	15,313,883	11,917,913	12,117,670	11,701,232	11,685,158
Fines and forfeitures	305,805	358,419	302,224	157,302	201,617	362,381	419,344	481,032	481,630	476,632
Leases	248,023	232,055	209,163	-	-	-	-	-	-	-
Investment earnings	6,104,226	2,916,024	(823,391)	-	-	-	-	-	-	-
Miscellaneous	2,008,827	1,470,235	2,426,200	2,056,437	3,960,736	3,394,302	3,381,950	2,789,931	2,386,349	2,296,159
Total governmental revenues	291,539,920	274,947,612	244,626,749	221,818,249	215,204,782	212,420,560	202,838,046	196,610,110	180,372,975	179,567,155
Expenditures										
General government	43,397,742	28,527,681	39,308,396	31,825,290	25,161,292	26,980,864	20,817,229	18,107,974	17,206,445	18,446,310
Public safety	45,810,757	43,570,836	40,716,189	38,612,063	38,727,179	38,240,448	39,397,475	35,081,163	36,357,223	33,290,687
Community services	25,797,067	26,917,020	20,009,122	21,349,995	19,100,385	19,006,475	16,980,656	17,257,531	18,470,598	20,824,429
Health and welfare	36,071,370	35,729,463	36,213,373	36,540,423	35,848,437	35,736,307	35,175,725	32,346,926	30,975,824	31,318,573
Parks, recreation and culture	16,170,084	14,396,861	13,760,771	10,985,927	13,700,003	13,326,020	12,709,049	11,912,756	13,023,170	12,152,256
Education	69,378,750	65,136,897	61,115,717	58,236,465	58,902,075	54,798,480	51,757,047	50,385,279	49,397,353	46,999,266
Conservation and development	11,800,653	11,008,357	13,888,767	13,954,074	15,854,748	13,244,853	13,070,791	9,620,535	10,710,688	8,928,892
Debt service										
Principal	11,775,733	11,002,912	8,370,931	7,280,278	7,566,058	7,140,323	7,417,376	7,146,882	6,379,799	6,084,318
Interest	4,328,361	3,984,393	2,958,534	3,134,902	3,155,879	3,041,563	3,099,780	2,832,293	2,591,814	2,660,459
Miscellaneous	-	-	-	-	-	-	-	123,892	172,063	384,966
Other activities	-	-	-	-	-	-	-	289,665	1,052,402	1,052,619
Capital outlay	63,611,345	40,276,952	13,392,994	9,190,991	9,941,161	13,331,752	16,960,272	19,795,285	5,613,733	11,713,606
Total governmental expenditures	328,141,862	280,551,372	249,734,795	231,110,408	227,957,217	224,847,085	217,385,400	204,900,181	191,954,112	193,856,381
Revenues over (under) expenditures	(36,601,942)	(5,603,760)	(5,108,046)	(9,292,159)	(12,752,435)	(12,426,525)	(14,547,354)	(8,290,071)	(11,581,137)	(14,289,226)
Other financing sources (uses)										
Transfers in	59,477,638	54,351,966	39,651,121	29,584,232	28,416,690	36,720,138	38,479,757	32,386,616	30,657,532	29,059,645
Transfers out	(54,495,261)	(49,511,162)	(33,513,264)	(23,808,032)	(24,568,490)	(31,551,066)	(31,547,212)	(27,166,718)	(25,140,392)	(22,880,748)
Issuance of debt	-	14,470,000	22,576,647	25,500,700	-	9,520,000	4,610,000	11,140,000	7,250,000	11,405,000
Refunding bonds issued	-	-	-	-	-	-	-	-	3,875,466	11,663,366
Premium on issuance of debt	-	975,480	2,248,607	3,643,188	-	1,126,606	420,561	1,076,892	1,282,326	2,261,124
Payment to refunded bond escrow agent	-	-	(4,254,472)	(4,538,777)	-	-	-	-	(4,365,996)	(13,096,411)
Sale of capital assets	-	-	-	-	-	-	-	-	-	312,782
Total other financing sources (uses)	4,982,377	20,286,284	26,708,639	30,381,311	3,848,200	15,815,678	11,963,106	17,436,790	13,558,936	18,724,758
Net change in fund balances	\$ (31,619,565)	\$ 14,682,524	\$ 21,600,593	\$ 21,089,152	\$ (8,904,235)	\$ 3,389,153	\$ (2,584,248)	\$ 9,146,719	\$ 1,977,799	\$ 4,435,532
Debt service as a percentage of noncapital expenditures										
Total debt service expenditures	\$ 16,104,094	\$ 14,987,305	\$ 11,329,465	\$ 10,415,180	\$ 10,721,937	\$ 10,181,886	\$ 10,517,156	\$ 9,979,175	\$ 8,971,613	\$ 8,744,777
Total governmental expenditures	328,141,862	280,551,372	249,734,795	231,110,408	227,957,217	224,847,085	217,385,400	204,900,181	191,954,112	193,856,381
Change in capital assets	(63,604,924)	(40,378,665)	(13,392,993)	(9,390,495)	(10,720,847)	(13,346,753)	(16,960,272)	(21,634,978)	(9,215,151)	(16,487,414)
Noncapital expenditures	\$ 264,536,938	\$ 240,172,707	\$ 236,341,802	\$ 221,719,913	\$ 217,236,370	\$ 211,500,332	\$ 200,425,128	\$ 183,265,203	\$ 182,738,961	\$ 177,368,967
Debt service as a percentage of noncapital expenditures	6.09%	6.24%	4.79%	4.70%	4.94%	4.81%	5.25%	5.45%	4.91%	4.93%

Source: City of Charlottesville Comprehensive Annual Financial Report - Exhibit D

Schedule prepared using the modified accrual basis of accounting

**TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year	Total Taxes	Property Taxes (1)	Sales and Use Taxes	Utility and Communications Taxes (2)	Meals Tax	Lodging Tax	Business License Tax	Franchise Taxes (2)	Tax on Bank Stock	Tax on Wills and Deeds	Other Taxes
2024	\$ 171,701,689	\$ 119,766,270	\$ 15,173,277	\$ 6,772,821	\$ 19,477,422	\$ 8,057,630	\$ -	\$ 199,941	\$ 971,498	\$ 616,583	\$ 666,247
2023	162,261,369	111,839,022	14,377,795	6,805,840	18,632,606	8,118,587	-	-	1,170,883	728,613	588,023
2022	135,496,329	99,572,574	14,526,660	6,899,533	15,925,582	7,222,710	-	-	1,225,370	1,058,718	446,519
2021	133,162,912	91,116,055	12,202,161	6,835,524	11,032,143	3,792,490	7,648,188	-	1,244,963	853,716	771,089
2020	130,457,651	85,976,029	11,497,058	7,145,681	12,600,643	5,049,858	8,169,497	-	1,057,296	795,323	871,527
2019	122,940,708	81,561,358	11,876,599	7,480,548	12,212,802	5,659,226	8,540,881	3,500	1,369,883	751,569	1,001,285
2018	116,724,600	75,616,895	11,619,460	7,658,576	11,781,447	5,151,629	8,230,107	3,500	1,348,260	581,600	949,234
2017	108,365,439	69,739,801	11,670,485	7,562,456	11,746,648	4,846,549	7,918,093	3,500	1,226,609	904,353	1,106,106
2016	101,869,696	64,620,157	11,466,250	7,577,184	11,320,042	3,664,156	6,925,402	3,500	1,138,188	585,246	1,065,314
2015	98,699,930	62,020,045	10,767,263	7,807,259	8,703,398	3,166,309	6,788,971	3,500	982,185	554,805	1,075,961

Source: City of Charlottesville Comprehensive Annual Financial Report - Exhibit G

- (1) Beginning in 1998, the Commonwealth of Virginia pays a portion of the personal property tax formerly paid by the property owner; the Commonwealth's share is reported as intergovernmental revenue.
- (2) Beginning in January 1, 2007, the Commonwealth of Virginia enacted the Virginia Communication Tax. This new tax replaces most of the current Virginia state and local communications taxes and fees with a central administered Communications Sales and Use Tax, a uniform statewide E-911 tax on landline telephone service and a cable television provider's public right-of-way use fee.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 6

**ASSESSED AND ESTIMATED MARKET VALUE OF REAL PROPERTY (1)
LAST TEN CALENDAR YEARS**

Taxable Year	Real Estate	Public Service Real Estate	Total Taxable Real Property Assessed Value	Real Property Direct Tax Rate	Tax-Exempt Real Property	Total Value Real Property
2024	\$ 10,901,035,400	\$ 185,621,435	\$ 11,086,656,835	0.96	\$ 3,323,966,600	\$ 14,410,623,435
2023	10,408,254,800	180,850,860	10,589,105,660	0.96	2,247,884,800	12,836,990,460
2022	9,312,647,000	168,894,020	9,481,541,020	0.96	2,649,257,800	12,130,798,820
2021	8,410,772,999	166,301,295	8,577,074,294	0.95	2,528,582,300	11,105,656,594
2020	8,187,130,300	161,534,532	8,348,664,832	0.95	2,260,050,500	10,608,715,332
2019	7,647,893,000	152,574,032	7,800,467,032	0.95	2,046,675,800	9,847,142,832
2018	7,060,139,700	151,135,069	5,641,414,880	0.95	1,917,683,250	7,559,098,130
2017	6,740,234,600	143,303,198	6,883,537,798	0.95	1,746,952,600	8,630,490,398
2016	5,953,910,000	140,924,014	6,094,834,014	0.95	1,135,055,400	7,229,889,414
2015	5,704,217,700	142,650,296	5,846,867,996	0.95	1,027,382,800	6,874,250,796

Source: Records of the City Assessor and State Corporation Commission

Note: The City has no overlapping property taxes.

(1) Assessed values of all classes of property are the approximate market value.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 7

**DIRECT PROPERTY TAX RATES
(PER \$100 OF ASSESSED VALUE)
LAST TEN CALENDAR YEARS**

Year	Real Property (1)	Personal Property (2)	Machinery & Tools (2)	Total Direct Tax Rate of City Assessed Property	Public Service		Total Direct Tax Rate of State Assessed Property
					Real Property (3)	Personal Property (3)	
2024	0.96	4.20	4.20	9.36	0.96	4.20	5.16
2023	0.96	4.20	4.20	9.36	0.96	4.20	5.16
2022	0.96	4.20	4.20	9.36	0.96	4.20	5.16
2021	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2020	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2019	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2018	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2017	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2016	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2015	0.95	4.20	4.20	9.35	0.95	4.20	5.15

Source: City of Charlottesville Director of Finance

- (1) Assessed by the City of Charlottesville Real Estate Assessor
- (2) Assessed by the City of Charlottesville Commissioner of Revenue
- (3) Assessed by the State Corporation Commission

Note: The City has no overlapping property taxes.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2024

Taxpayer	Type of Business	2024 Assessed Valuation (1)	Tax Amount (2)	Rank	Percentage of Total Assessed Valuation (1)	2015 Assessed Valuation (1)	Tax Amount (2)	Rank	Percentage of Total Assessed Valuation (1)
Federal Realty Investment Trust	Shopping Center	\$ 166,481,200	\$ 1,598,220	1	1.53 %	\$ 121,238,501	\$ 1,151,766	1	2.20 %
Woodard United, LLC	Apartments	153,112,600	1,469,881	2	1.40	77,823,600	\$ 739,324	2	1.41
Neighborhood Development Inc	Apartments	136,049,300	1,306,073	3	1.25	-	-		-
Pavilion UVA, LLC & Pavilion UVA II, LLC	Apartments	112,070,900	1,075,881	4	1.03	59,205,303	562,450	4	1.08
KRE Up III Pavilion Owner, LLC	Apartments	104,937,100	1,007,396	5	0.96	-	-		-
853 West Main, LLC	Apartments	101,582,200	975,189	6	0.93	-	-		-
Piedmont Hospital, LLC	Apartments	95,691,400	918,637	7	0.88	50,502,850	479,777	5	0.92
Oxford Hill, LLC	Apartments	94,011,000	902,506	8	0.86	-	-		-
Brands Hatch, LLC	Office Building	86,833,200	833,599	9	0.80	-	-		-
Madison Loft LLC	Apartments	83,790,200	804,386	10	0.77	-	-		-
Dominion Virginia Power Company	Public Utility	-	-		-	63,478,001	603,041	3	1.15
Towers Limited Partnership, ETAL	Real Estate	-	-		-	44,569,217	423,408	6	0.81
Caton, Douglas E.	Real Estate	-	-		-	40,382,617	383,635	7	0.73
University of Virginia Foundation	Real Estate	-	-		-	37,488,928	356,145	8	0.68
Peyton Associates Partnership	Real Estate	-	-		-	36,248,236	344,358	9	0.66
Coal Tower Associates, LLC	Real Estate	-	-		-	35,610,901	338,304	10	0.65
		<u>\$ 1,134,559,100</u>	<u>\$ 10,891,768</u>		<u>10.39 %</u>	<u>\$ 566,548,154</u>	<u>\$ 5,382,207</u>		<u>10.30 %</u>

Source: City Assessor and Commissioner of Revenue, City of Charlottesville, Virginia

(1) Represents percentage of total City valuation of taxable property, real estate only.

(2) Tax rate of \$0.96 in 2024; Tax rate of \$0.95 in 2015

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 9

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2024	\$ 120,307,773	\$ 118,063,282	98.13 %	\$ -	\$ 118,063,282	98.13 %
2023	112,113,975	110,046,896	98.16	1,513,835	111,560,731	99.51
2022	101,074,101	98,874,159	97.82	1,962,627	100,836,786	99.77
2021	92,084,435	90,266,459	98.03	1,683,051	91,949,511	99.85
2020	88,263,566	86,287,564	97.76	1,866,674	88,154,238	99.88
2019	83,339,710	82,035,675	98.44	1,205,483	83,241,158	99.88
2018	77,696,498	76,521,606	98.49	1,131,060	77,652,665	99.94
2017	71,965,946	71,139,950	98.85	784,747	71,924,697	99.94
2016	65,952,891	65,027,636	98.60	850,676	65,878,312	99.89
2015	63,892,891	62,863,991	98.39	961,928	63,825,919	99.90 %

Source: Treasurer of the City of Charlottesville

(1) Beginning with Fiscal year 2015, supplements are reported in the year in which they were billed and due. Fiscal years 2009-2014 report supplemental tax levies back to the year they for which they are assessed, instead of reporting them in the fiscal year they were billed, causing the current year collection rate to decline in subsequent years.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 10

**ESTIMATED VALUE OF TAX-EXEMPT REAL PROPERTY
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Federal	\$ 47,545,500	\$ 45,853,500	\$ 39,416,600	\$ 38,787,700	\$ 38,480,800	\$ 36,863,200	\$ 32,717,600	\$ 31,919,100	\$ 23,817,800	\$ 21,652,500
State and regional	988,068,500	145,107,300	767,344,500	758,897,900	513,759,400	463,218,100	455,398,000	450,963,700	306,883,300	279,103,600
Local	604,927,800	576,922,400	498,566,400	491,338,500	497,777,300	446,420,700	417,963,500	362,990,800	214,399,600	194,685,500
Religious, charitable, educational and other	1,683,424,800	1,480,001,600	1,343,930,300	1,239,558,200	1,195,913,200	1,088,276,900	1,011,604,150	901,079,000	589,954,700	531,941,200
Total	3,323,966,600	2,247,884,800	\$ 2,649,257,800	\$ 2,528,582,300	\$ 2,245,930,700	\$ 2,034,778,900	\$ 1,917,683,250	\$ 1,746,952,600	\$ 1,135,055,400	\$ 1,027,382,800

Source: Office of the Real Estate Assessor, City of Charlottesville, Virginia. Reported to the State in April annually by the Assessor's Office.

**RATIO OF NET BONDED GOVERNMENTAL DEBT TO ASSESSED VALUE AND NET BONDED GOVERNMENTAL DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Real Estate Assessed Value	Total Bonded Debt	Total Bonded Business Type Debt	Governmental Bonded Debt Service Due (2)	General Fund Expenditures and Net Other Financing Sources	Ratio of Net Bonded Debt to Assessed Value	Total Bonded Debt per Capita	Ratio of Debt Service to Total General Fund Expenditures and Transfers
2024	51,132	\$ 10,901,035,400	\$ 173,131,628	\$ 55,818,436	\$ 9,530,223	\$ 142,738,660	1.59 %	\$ 3,386	6.68 %
2023	51,278	10,408,254,800	179,270,051	61,280,727	9,866,007	128,469,825	1.72	3,496	7.68
2022	51,079	9,312,647,000	165,600,134	61,269,414	9,403,570	138,028,018	1.78	3,242	6.81
2021	49,447	9,312,647,000	152,301,059	58,438,152	8,257,217	132,117,051	1.64	3,080	6.25
2020	49,181	8,410,772,999	125,345,907	45,241,232	7,157,428	176,636,788	1.49	2,549	4.05
2019	49,281	6,740,234,600	132,121,039	44,022,607	7,443,208	173,674,353	1.96	2,681	4.29
2018	49,132	6,740,234,600	132,121,039	44,022,607	7,137,004	165,389,458	1.96	2,689	4.32
2017	49,071	6,740,264,600	132,121,039	44,022,607	7,417,376	152,655,215	1.96	2,692	4.86
2016	48,210	5,704,217,700	128,929,869	44,824,556	9,489,053	139,577,852	2.26	2,674	6.80
2015	47,783	5,503,669,500	130,376,506	48,052,860	9,121,289	139,577,852	2.37	2,729	6.53

Note: The City has no overlapping debt.

(1) Weldon Cooper Center for Public Service, Demographics & Workforce Group
<http://www.coopercenter.org/demographics/virginia-population-estimates>

(2) Governmental debt due within next fiscal year.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO GENERAL GOVERNMENTAL
EXPENDITURES AND TRANSFERS
LAST TEN FISCAL YEARS**

Fiscal Year	Principal	Interest	Total Debt Service	General Governmental Expenditures and Transfers	Ratio of Debt Service to General Governmental Expenditures
2024	\$ 9,865,854	\$ 4,062,670	\$ 13,928,524	\$ 142,738,660	9.76 %
2023	9,403,570	3,720,886	13,124,456	128,469,825	10.22
2022	8,260,524	3,275,009	11,535,533	138,028,018	8.36
2021	7,280,278	3,134,902	10,415,181	132,117,051	7.88
2020	7,566,058	3,155,879	10,721,937	176,593,646	6.07
2019	7,140,323	3,041,563	10,181,885	173,673,353	5.86
2018	7,417,377	3,099,780	10,517,157	224,199,432	4.69
2017	7,146,882	2,832,293	9,979,175	205,739,944	4.85
2016	6,379,799	2,591,814	8,971,613	195,491,554	4.59
2015	6,084,318	2,660,459	8,744,777	191,875,061	4.56

Note: Excludes Capital Projects Fund expenditures and transfers.
The City has no overlapping debt.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 13

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percent of Personal Income	Per Capita Debt
	General Obligation Bonds (1)	Literary Loans	Notes Payable	Total Governmental Debt	General Obligation Notes	Notes Payable	Lease and Subscription Liability			
2024	\$106,841,985	\$ -	\$ -	\$ 106,841,985	\$55,818,436	\$ -	\$10,487,360	\$ 173,147,781	* %	3,386
2023	117,989,324	-	-	117,989,324	61,280,727	-	11,048,616	190,318,667	*	3,712
2022	113,274,881	-	-	113,274,881	66,673,995	-	10,000,674	179,948,876	3.69	3,523
2021	101,232,493	-	-	101,232,493	63,423,659	-	*	164,656,152	3.43	3,330
2020	84,534,916	-	-	84,534,916	46,837,903	-	*	131,372,819	3.84	2,671
2019	94,090,552	-	-	94,090,552	51,904,783	-	*	145,995,335	3.91	2,963
2018	92,582,812	-	-	92,582,812	48,729,590	-	*	141,312,402	3.93	2,876
2017	94,208,523	-	-	94,208,523	46,333,995	-	*	140,542,518	4.14	2,864
2016	89,930,778	10,366	-	89,941,144	47,116,873	-	*	137,058,017	4.76	2,843
2015	88,877,912	30,385	-	88,908,297	50,639,481	-	*	139,547,778	4.94	2,920

* Information not available at this time.

(1) Presented net of original issuance discounts and premiums, revised

Note: The City has no overlapping debt.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 14

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Assessed value of real property	\$ 10,901,035,400	\$ 10,408,254,800	\$ 9,312,647,000	\$ 8,410,772,999	\$ 6,740,234,600	\$ 6,740,264,600	\$ 6,740,264,600	\$ 5,953,910,000	\$ 5,704,217,700	\$ 5,503,669,500
Debt limit - 10% of assessed value	\$ 1,090,103,540	\$ 1,040,825,480	\$ 931,264,700	\$ 841,077,300	\$ 674,023,460	\$ 674,026,460	\$ 674,026,460	\$ 595,391,000	\$ 570,421,770	\$ 550,366,950
Amount of debt applicable to debt limit	173,131,628	190,252,966	179,948,876	164,656,152	131,372,819	132,121,039	132,121,039	128,929,869	119,460,105	114,398,907
Legal debt margin	\$ 916,971,912	\$ 850,572,514	\$ 751,315,824	\$ 676,421,148	\$ 542,650,641	\$ 541,905,421	\$ 541,905,421	\$ 466,461,131	\$ 450,961,665	\$ 435,968,043
Total net debt applicable to the limit as a percentage of debt limit	15.88%	18.28%	19.32%	19.58%	19.49%	19.60%	19.60%	21.65%	20.94%	20.79%

Note: The City has no overlapping debt.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 15

PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Institutional and other Construction (1)		Commercial Construction (1)		Residential Construction (1)		Bank deposits (2) (in thousands)	Calendar Year	Property Values (3)	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value			Taxable	Nontaxable
2024	22	\$ 106,603,130	352	\$ 57,851,708	1,347	\$ 87,325,063	\$ 2,516,739	2024	\$ 10,901,035,400	\$ 3,323,966,600
2023	31	14,358,184	382	51,558,618	1,340	68,599,786	2,760,318	2023	10,408,254,800	2,247,884,800
2022	21	4,148,192	362	36,755,026	1,133	65,404,631	3,182,307	2022	9,312,647,000	2,649,257,800
2021	38	11,942,828	502	115,599,788	1,378	124,612,849	3,042,549	2021	9,312,647,000	2,528,582,300
2020	3	220,039	402	46,511,751	1,517	143,325,608	2,999,524	2020	8,410,772,999	2,245,930,700
2019	30	1,015,033	468	150,662,370	1,546	218,624,551	2,486,055	2019	6,740,234,600	2,034,778,900
2018	44	3,404,801	566	45,291,407	1,556	107,599,017	2,499,593	2018	6,740,234,600	1,917,683,250
2017	17	1,204,091	467	128,400,704	1,653	63,999,554	2,476,231	2017	6,740,264,600	1,746,952,600
2016	19	2,300,978	582	88,939,069	1,383	48,684,124	2,366,694 (4)	2016	5,704,217,700	1,135,055,400
2015	22	8,635,285	469	63,025,855	1,420	51,009,735	2,328,209 ##	2015	5,503,669,500	1,027,382,800

- (1) Department of Neighborhood Planning, City of Charlottesville
- (2) FDIC Summary of deposits
- (3) Real property values only
- (4) FDIC Summary of deposits was corrected to reflect the actual value

**DEMOGRAPHIC STATISTICS
LAST TEN CALENDAR YEARS**

Year	Population (1)	School Membership (2)	Unemployment Rate (3)	Total Personal Income (4) (thousands)	Per Capita Income (4)	Taxable Sales (5) (thousands)	Sales per Capita
2024	51,132	4,391	2.6	*	*	*	*
2023	51,278	4,391	2.6	*	*	\$ 1,164,745	\$ 22,714
2022	51,079	4,295	2.8	\$ 14,583,689	\$ 91,201	1,108,763	21,707
2021	49,447	4,259	4.3	14,079,289	88,287	956,280	19,339
2020	49,181	4,307	5.7	12,081,184	75,998	821,026	16,694
2019	49,281	4,337	2.5	11,982,741	75,666	989,912	20,087
2018	49,132	4,313	3.1	11,400,332	72,455	972,265	19,789
2017	49,071	4,210	3.6	10,765,726	68,785	971,359	19,795
2016	48,210	4,134	3.4	9,375,633	60,964	1,006,304	20,873
2015	47,783	4,101	3.7	9,182,721	60,294	959,435	20,079

* Information not available at this time.

Source:

- (1) Weldon Cooper Center for Public Service, Demographics & Workforce Group
<http://www.coopercenter.org/demographics/virginia-population-estimates>
- (2) Fall Membership Charlottesville Public Schools
- (3) Bureau of Labor Statistics Local Area Unemployment Statistics and represents unemployment for the calendar year
- (4) Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce: Albemarle County and City of Charlottesville
- (5) Annual Report, Taxable Sales in Virginia Counties and Cities, Commonwealth of Virginia, Department of Taxation

**PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2024**

Employer	2024		2015	
	Rank	Number of Employee	Rank	Number of Employees
University of Virginia / Blue Ridge Hospital	1	1000+	1	1000+
County of Albemarle	2	1000+		
Sentara Healthcare	3	1000+		
UVA Health Services Foundation	4	1000+	3	1000+
City of Charlottesville	5	1000+	2	1000+
Charlottesville City School Board	6	500 to 999	4	500 to 999
U.S. Department of Defense	7	500 to 999		
Food Lion	8	500 to 999		
Fluvanna County Public School Board	9	500 to 999		
Walmart	10	500 to 999		
Servicelink Management Com Inc.			5	500 to 999
SNL Security LP			6	500 to 999
Aramark Campus			7	500 to 999
Lakeland Tours			8	250 to 499
Atlantic Coast Athletic Club			9	250 to 499
Association for Investment Management			10	250 to 499

Source: Virginia Employment Commission 50 Largest Employers during 4th Quarter (October, November, December) 2023

Note: 2015 employer rank/number of employees received from 4th quarter 2014 Virginia Employment Commission Labor Market Information

**GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Department	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Management										
Council/Clerk of Council	3.00	3.00	3.00	3.00	4.00	4.00	1.00	1.00	1.00	1.00
City Manager's Office/Administration and Communications	38.00	15.00	14.00	14.00	13.00	12.00	11.00	11.00	9.00	9.00
Office of Economic Development	5.00	10.00	11.50	11.50	11.50	7.50	6.50	6.00	6.00	5.50
Office of the City Manager/Parking Enterprise Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
City Attorney	7.00	8.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00
Voting Registrar	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	59.00	40.00	39.50	39.50	39.50	34.50	28.50	28.00	25.00	24.50
Internal Services										
Finance Department: Purchasing/Risk Management/Warehouse	9.00	10.00	9.00	9.00	9.00	8.00	7.00	6.00	6.00	6.00
Information Technology	21.00	20.00	20.00	20.00	20.00	20.00	20.00	19.00	19.00	19.00
Human Resources	12.00	10.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00	8.00
Total	42.00	40.00	38.00	38.00	37.00	36.00	35.00	33.00	33.00	33.00
Financial Services										
Commissioner of Revenue	14.00	14.00	14.00	14.00	14.00	14.00	13.00	13.00	13.00	13.00
Finance Department: Management/Real Estate Assessment/Utility Billing Office	33.00	33.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Treasurer	15.00	14.00	14.00	14.00	14.00	13.50	13.50	13.00	13.00	13.00
Total	62.00	61.00	62.00	62.00	62.00	61.50	60.50	60.00	60.00	60.00
Healthy Families & Community										
Charlottesville/Albemarle Visitors Bureau ⁽¹⁾	-	-	-	-	-	10.00	10.00	10.00	10.00	10.00
Department of Human Services	48.50	37.50	37.50	37.50	37.50	36.50	35.50	35.50	35.50	34.25
Children & Youth Commission/CCF	-	-	-	-	-	-	-	-	-	-
Department of Social Services	109.50	106.50	106.50	106.50	106.50	104.50	102.50	102.50	102.25	99.98
Neighborhood Development Services	28.00	29.00	26.00	26.00	40.00	39.00	39.00	37.50	37.50	36.00
Office of Human Rights/Human Rights Commission	4.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	2.00	2.00
Parks and Recreation/Parks Maintenance	38.00	38.00	40.00	40.00	40.00	40.00	40.00	39.00	39.00	37.00
Parks & Rec/Recreation and Programs	32.25	29.50	29.50	29.50	29.50	29.50	27.50	27.50	27.50	28.50
Parks & Rec/Golf Fund	2.00	2.00	2.00	2.00	2.00	4.00	4.00	4.00	4.00	4.00
CDBG/HOME Grant Coordinator (Grant Funded)	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Total	262.25	244.50	243.50	243.50	257.50	266.50	261.00	258.50	258.75	252.73
Infrastructure/Transportation										
Public Works: Administration, Facilities Development	47.11	28.90	23.90	26.86	26.86	26.86	21.86	21.86	21.86	16.73
Public Works: School Building Maintenance	20.64	19.28	19.28	19.28	19.28	19.28	19.28	19.28	19.28	18.28
Public Works: Fleet Management	13.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Public Works: Public Service	44.00	60.00	60.00	60.00	47.00	49.00	51.00	51.00	51.00	51.00
Charlottesville Area Transit (CAT)	94.00	104.50	104.50	80.00	80.00	72.00	72.00	69.00	68.00	68.00
Public Works: Pupil Transportation	29.00	29.00	29.00	29.00	29.00	29.00	29.00	28.50	28.50	28.50
Public Utilities: Gas, Water, Wastewater	94.00	90.00	90.00	90.00	90.00	89.00	92.00	92.00	92.00	92.00
Public Utilities: Stormwater Utility	11.00	10.00	10.00	10.00	10.00	4.00	4.00	4.00	4.00	4.00
Total	352.75	354.68	347.68	326.14	313.14	300.14	300.14	296.64	295.64	289.51
Public Safety & Justice										
City Sheriff	14.00	13.00	13.00	13.00	13.00	12.00	11.00	11.00	11.00	11.00
Commonwealth's Attorney	12.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Courts and Other Support Service	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Fire Department	123.00	95.00	95.00	95.00	95.00	95.00	91.00	91.00	91.00	91.00
Police Department	145.00	155.00	155.00	155.00	159.00	157.00	157.00	156.00	154.00	154.00
Total	304.50	287.50	287.50	287.50	291.50	288.50	283.50	282.50	280.50	280.50
City-Wide Total	1,082.50	1,027.68	1,018.18	996.64	1,000.64	987.14	968.64	958.64	952.89	940.24

Source: Adopted Operating and Capital Improvement Budget

Note: FTE positions

⁽¹⁾ These positions are funded cooperatively with Albemarle County.

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Date of incorporation	1888	1888	1888	1888	1888	1888	1888	1888	1888	1888
Form of government	Council-Mgr									
Area	10.4 sq miles									
Bond rating:										
Moody's Investor Services	Aaa									
Standard & Poor's Corporation	AAA									
Number of employees:										
City (full-time)	1082.5	1027.7	1018.2	996.6	1000.6	1000.64	987	969	959	940
School Board	809	809	798	798	840	840	835	767	797	772
Elections:										
Number of registered voters:										
Last general election - November, 2023	34,699	34,781	33,683	33,099	32,853	32,854	31,876	35,725	31,039	32,273
Last municipal election - November, 2023	34,699	33,683	33,683	32,853	32,853	32,290	31,876	31,039	31,039	32,291
Number of votes cast in:										
Last general election	12,398	16,692	17,342	24,084	11,095	14,039	16,548	22,652	6,077	10,816
Last municipal election	12,398	17,342	17,342	11,095	11,095	6,237	16,548	6,077	6,077	12,560
Percentage of registered voters voting in:										
Last general election	35.7%	48.0%	72.8%	33.8%	42.7%	51.9%	63.4%	19.2%	33.5%	38.7%
Last municipal election	35.7%	51.5%	33.8%	33.8%	19.3%	51.9%	19.6%	19.2%	38.9%	34.2%
Public Safety										
Fire protection:										
Number of firefighters and officers (exclusive of volunteer firefighters)	117	111	106	106	90	90	90	88	88	88
Police protection:										
Number of police officers	98	89	83	121	119	125	127	129	127	127
Number of arrests	1,696	1,791	1,618	1,566	1,732	1,676	3,216	2,763	2,639	2,741
Traffic Citations Issued	3,351	3,958	2,569	1,131	1,739	3,142	4,737	5,912	4,978	5,740
911 calls received	41,328	41,865	37,121	36,016	37,866	37,121	39,692	44,481	40,504	43,512
Cases investigated	5,387	5,407	5,301	4,240	4,610	5,502	4,442	5,287	4,962	5,198
Parking Violations										
Violations written	10,879	15,136	12,116	6,738	6,842	17,141	17,653	16,637	18,734	17,647
Building permits issued										
	1,721	1,753	1,656	1,920	1,922	2,033	2,166	2,137	1,984	1,911
Education										
Schools:										
Number of teachers	478	478	482	481	478	478	456	440	429	421
Number of students	4,391	4,391	4,290	4,259	4,307	4,337	4,313	4,210	4,134	4,101
Pupil: teacher ratio	9.19:1	9.19:1	8.90:1	8.85:1	9.01:1	9.07:1	9.46:1	9.56:1	9.64:1	10.26:1
Public Utilities										
Municipal utilities:										
Gas:										
Number of customers	21,397	21,313	21,244	21,078	20,871	20,994	20,665	20,467	20,043	19,849
Average daily consumption	7968 DTH	7841 DTH	8297 DTH	8327 DTH	7,712 DTH	8,051 DTH	7,570 DTH	7,562 DTH	6,802 DTH	8,487 DTH
Water:										
Number of customers	14,521	14,524	14,541	14,888	15,307	14,661	14,639	14,756	14,692	14,652
Average daily consumption	544 MCF	530 MCF	537 MCF	520 MCF	531 MCF	551 MCF	569.4 MCF	579.2 MCF	569.4 MCF	569.3 MCF
Sewer:										
Number of customers	14,448	14,425	14,437	14,791	14,956	14,564	14,528	14,626	14,558	14,511
Average daily treatment	473 MCF	464 MCF	467 MCF	456 MCF	465 MCF	483 MCF	502.8 MCF	564.6 MCF	502.8 MCF	505.6 MCF
Public Works										
Refuse disposed at Zion's' Transfer Station (City totals):										
Number of customers	13,500	13,500	13,500	13,500	13,500	13,200	13,200	13,200	13,200	13,200
Tons of domestic refuse	6,793	6,695	6,608	6,588	6,955	6,681	6,577	6,532	6,435	6,281
Tons of curbside recycling	3,103	3,582	3,560	3,745	3,738	4,429	3,865	3,666	3,647	3,557
Tons of stumps, demolition material & street sweeping ⁽¹⁾	1,072	1,639	2,589	1,375	1,584	1,300	866	1,160	2,117	1,048

Source: Departmental operational reports for the period ending June 30th.

⁽¹⁾ In FY2015, accounts for brush, street sweeping, and leaves
In FY2017, the total accounts for street sweeping.

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Miles of streets	160.14	160.14	159.91	159.91	160	160	159	158	158	157
Number of streetlights	6,070	6,070	6,070	6,070	6,070	6,070	6,070	6,070	6,040	6,025
Public Safety										
Fire protection:										
Number of stations	3	3	3	3	3	3	3	3	3	3
Police protection:										
Number of stations	7	7	7	7	7	7	10	8	4	4
Number of vehicular patrol units	80	72	72	73	73	58	50	64	68	67
Total vehicles	159	148	146	134	134	119	129	128	122	123
Motor Cycles	5	5	7	7	7	7	6	8	8	6
Unmarked cars	43	38	44	45	45	54	59	53	46	50
Bicycle patrol	28	20	23	18	18	14	14	14	24	17
Education										
Number of schools	9	9	9	9	9	9	9	9	9	9
Parks, Recreation, & Culture										
Number of parks ⁽¹⁾	36	36	36	36	36	36	36	36	36	31
Acres of park land ⁽²⁾	1,058	1050	1050	1050	1,050	904	900	900	902	872
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of recreation centers	5	5	5	5	5	5	5	5	5	5
Number of libraries	3	3	3	3	3	3	3	3	3	3
Public Utilities										
Gas:										
Miles of gas main lines	345	343	342	341	340	333	331	330	329	328
Miles of gas service lines	305	303	302	300	296	292	288	282	274	272
Water:										
Water treatment plant capacity (millions of gallons per day)	19	19	19	19	19	19	19	19	19	19
Miles of water lines	179	185	184	184	184.0	183	183	180.0	180.0	180.8
Number of fire hydrants	1,200	1,199	1,187	1,156	1,117	1,088	1,088	1,050	1,047	1,031
Sewer:										
Sewer treatment plant capacity (millions of gallons per day)	15	15	15	15	15	15	15	15	15	15
Miles of sanitary sewers	168	174	173	173	172	171	171	170	166	170

Source: Departmental operational reports for the period ending June 30th

Note:

- (1) Includes 3 jointly funded parks with Albemarle County beginning fiscal year 2012.
- (2) Includes City Parks and natural areas in FY2012