

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY  
CHARLOTTESVILLE, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2025**



**Charlottesville-Albemarle Airport Authority  
Charlottesville, Virginia**

**Annual Comprehensive Financial Report  
Year Ended June 30, 2025**



**Prepared by the Administrative Division**

**Penny D. Shifflett  
Chief Financial Officer  
[www.gocho.com](http://www.gocho.com)**

---

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

---

---

	<u>Page</u>
<b>Front Cover</b>	1
<b>Title Page</b>	2
<b>Table of Contents</b>	3-4
<b>INTRODUCTORY SECTION</b>	
<hr/>	
Letter of Transmittal	6-12
Principal Officials	13
Organizational Chart	14
Mission and Values	15
Certificate of Achievement for Excellence in Financial Reporting	16
<b>FINANCIAL SECTION</b>	
<hr/>	
Independent Auditors' Report	18-20
Management's Discussion and Analysis	21-28
<b><u>Basic Financial Statements</u></b>	
Exhibit A Statement of Net Position	30-31
Exhibit B Statement of Revenues, Expenses and Changes in Net Position	32
Exhibit C Statement of Cash Flows	33
Notes to Financial Statements	35-66
<b><u>Required Supplementary Information</u></b>	
RSI 1 Schedule of Changes in Net Pension Liability and Related Ratios	68-69
RSI 2 Schedule of Employer Contributions – VRS Pension Plan	70
RSI 3 Notes to Required Supplementary Information – VRS Pension Plan	71
RSI 4 Schedule of Authority's Share of Net OPEB Liability – VRS GLI Plan	72
RSI 5 Schedule of Employer Contributions – VRS GLI Plan	73
RSI 6 Notes to Required Supplementary Information – VRS GLI Plan	74
<b><u>Other Supplementary Information</u></b>	
Schedule 1 Schedule of Administrative Expenses - Allocated	76

---

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

---

---

	<u>Page</u>	
<b>STATISTICAL SECTION</b>		
Table 1	Total Annual Revenues, Expenses and Changes in Net Position	79-80
Table 2	Changes in Cash and Cash Equivalents	81-82
Table 3	Principal Revenue Sources, Cost per Enplaned Passenger and Scheduled Airline Rates and Charges	83-84
Table 4	Parking Rates Per Lot	85
Table 5	Revenue Bond Debt Service Coverage	86-87
Table 6	Ratios of Outstanding Debt Service by Type	88
Table 7	Airline Landed Weights	89
Table 8	Enplaned Passengers	90
Table 9	Aircraft Operations Summary	91
Table 10	Top 50 Origin Destination Markets	92
Table 11	Airport Information	93
Table 12	Demographic Information	94-95
Table 13	Principal Employers in the Primary Air Trade Area	96
<b>COMPLIANCE SECTION</b>		
	Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	98-99
	Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Passenger Facility Charge (PFC) Program	100-102
	Schedule of Passenger Facility Charge Program Receipts and Expenditures	103
	Schedule of Findings and Questioned Costs—Passenger Facility Charge Program	104
	Summary Schedule of Prior Audit Findings—Passenger Facility Charge Program	105

**INTRODUCTORY SECTION**





**December 15, 2025**

**DEAR CITIZENS AND HONORABLE MEMBERS OF  
THE CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

I am pleased to submit the fiscal year 2025 Annual Comprehensive Financial Report of the Charlottesville-Albemarle Airport Authority (Authority) for your review and information.

This report is published in accordance with the requirements of the enabling legislation enacted by the Commonwealth of Virginia, creating the Authority and the master bond indenture of trust that governs the issuance of indebtedness by the Authority. Moreover, it was prepared in accordance with generally accepted accounting principles (GAAP), while the financial audit contained herein was performed in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. In addition to the distribution of this report to Authority Board members, this report is also being transmitted to others interested in the financial condition of the Authority as required by Federal Aviation Administration (FAA) regulations, as well as the Authority's bond indenture of trust.

Since this report consists of management's representations concerning the Authority's financial position, management assumes full responsibility for the completeness and reliability of all information presented. In order to provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that has been designed to protect the Authority's assets from loss, theft, or misuse, as well as compiled sufficient reliable information for the preparation of the Authority's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this report is complete and reliable in all material respects to the best of our knowledge and belief.

The goal of the independent audit is to provide reasonable assurance that the Authority's financial statements for the year ended June 30, 2025, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and any significant estimates made by management, and evaluating the overall financial statement presentation. Based on their audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion and that the Authority's financial statements for the year ended June 30, 2025, conform to GAAP. The independent auditors' report is the first component of the Financial Section of this report.

The independent audit of the financial statements is part of the broader mandated provisions of the Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), relative to financial funds received from the U.S. Government, the Specifications for Audits of Authorities, Boards, and Commissions issued by the Auditor of Public Accounts of the Commonwealth of Virginia relative to financial funds received from the Commonwealth of Virginia, and also, in conformity with the provisions of the September 2000 Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration for its Passenger Facility Charge Program. The standards governing these provisions require the independent auditor to report on the fair presentation of the financial statements and the Authority's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. See the independent auditors' reports presented in the Compliance Section of this report for further information and discussion of these standards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). One should read this letter of transmittal in conjunction with the MD&A that is located immediately following the independent auditors' report in the Financial Section of this report.

The information presented in the Financial Section of this report is best understood when it is considered from the broader perspective of the specific environment within which the Airport operates. The Authority's economic condition is a composite of its financial health and ability to meet its financial obligations and service commitments.

## **The Authority**

The Authority was created by the 1984 Acts of Assembly, Chapter 390, Virginia General Assembly, and is currently operating under the Authority of the law of the Commonwealth of Virginia, Chapter 864 of the Acts of the Virginia General Assembly (2003) and is organized and exists as an independent political subdivision of the Commonwealth of Virginia.

The Authority is organized for the purpose of acquiring, constructing, reconstructing, maintaining, repairing, and operating an airport to serve the needs of the City of Charlottesville, Virginia (City), the County of Albemarle, Virginia (County), and the surrounding region. The Enabling Act provides that the Authority is authorized to issue revenue bonds for any of its purposes solely from the tolls and revenues pledged for their payment; to fix and revise from time to time and charge and collect rates, fees, rentals, and other charges for the use of the Airport; to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Enabling Act, and to do all things necessary and convenient to carry out the powers under the Enabling Act, and to do all acts and things necessary and convenient to carry out the powers expressly granted in the Act. The Authority is also responsible for establishing financial policies. These policies had no significant impact on the current period's financial statements.

Prior to the creation of the Authority, the City and the County jointly operated the Airport through the Charlottesville-Albemarle Airport Board (Board). In October 1984, the Board conveyed the Airport to the Authority. By joint resolutions, the governing bodies of the City and County dissolved the Board, and the Authority commenced Airport operations. Neither the City nor the County is required to approve the issuance of bonds or incurrence of indebtedness by the Authority.

The Authority consists of three members: the City Manager of Charlottesville, or their principal assistant, as chosen by the City Council of Charlottesville; the County Executive of Albemarle County, or their principal assistant, as chosen by the Board of Supervisors of Albemarle; and one member of the Charlottesville-Albemarle Joint Airport Commission (Commission). The Commission is an advisory body comprised of Charlottesville and Albemarle County residents, as appointed by the City Council and the County Board of Supervisors.

## **Economic Conditions and Outlook**

### **Jason Burch, Chief Executive Officer**

### **Regional Economic Overview**

The Charlottesville-Albemarle Airport (CHO) serves Central Virginia, a geographically and economically diverse region, located in the center of the Commonwealth of Virginia. Bordered by the Blue Ridge Mountains to the west, the City of Charlottesville and surrounding localities comprise the airport's primary service area, with additional demand drawn from communities in the Shenandoah Valley. The region's location midway between Boston and Atlanta provides convenient access to major Mid Atlantic markets.

Central Virginia benefits from a well-developed transportation network that includes interstate highways, rail service, and a modern regional airport. This infrastructure supports a stable mix of business, institutional, tourism, and government activity that has historically contributed to resilient economic performance and steady demand for commercial air service.

## **Innovation Life Sciences and Advanced Manufacturing**

During FY25 Central Virginia continued to demonstrate momentum in innovation driven economic development, particularly in life sciences biotechnology and advanced manufacturing. These sectors are supported by a combination of public investment, private capital, and research activity anchored by the University of Virginia and regional partners.

During the fiscal year, the University of Virginia marked a significant construction milestone for the Paul and Diane Manning Institute of Biotechnology with the topping out of its 350,000 square foot facility at Fontaine Research Park. The Institute is intended to integrate advanced biomedical research, translational development, and manufacturing capabilities. This represents a major long-term investment in the region's life sciences ecosystem.

Together, these developments align with broader regional initiatives to strengthen Central Virginia's position as a competitive innovation corridor and support long term economic stability.

## **Workforce and Quality of Life**

Central Virginia's economic outlook is supported by a skilled and growing workforce. The regional labor force includes more than 187,000 workers supplemented by commuters from surrounding areas. The region is anchored by strong educational institutions including the University of Virginia, which supports workforce development across healthcare, life sciences, technology, skilled trades, and professional services.

The region continues to benefit from a high quality of life supported by cultural amenities, higher education, outdoor recreation, and historic assets. These characteristics support employee recruitment, retention, and tourism activity. These contribute to both business and leisure travel demand.

## **Economic Impact and Outlook for CHO**

As of June 30, 2025, Central Virginia's economy demonstrates continued resilience supported by diversified industry investment, a skilled workforce, and a high quality of life. These regional fundamentals provide a stable operating environment for CHO and support balanced demand for commercial air service.

Based on the most recent Virginia Aviation System Economic Impact Study prepared by the Virginia Department of Aviation using calendar year 2024 data, airport related activity continues to represent a meaningful contributor to the Commonwealth of Virginia's economy. CHO supported approximately 2,857 full-time and part-time jobs generating an estimated \$174,407,000 in wages and benefits and contributing approximately \$305,266,000 in Gross State Product. When the combined effects of airport operations and visitor spending are considered, total economic output associated with the airport is estimated at approximately \$501,455,000.

For the year ended June 30, 2025, CHO recorded strong operational performance relative to broader industry trends. Total passenger volumes increased by approximately 9.4 percent compared to the prior year, reflecting continued demand across business institutional and leisure travel segments. Passenger growth was supported by consistently high aircraft load factors throughout the fiscal year indicating strong utilization of available capacity and reflecting durable underlying demand rather than short-term service expansion. Demand continued to be driven by a stable regional travel base tied to the University of Virginia, healthcare, government, and professional service activity.

These results occurred within a broader airline industry environment characterized by capacity discipline, aircraft delivery delays, and rising labor and infrastructure costs. During FY25 airlines increasingly prioritized markets demonstrating reliable demand and strong load factors. The airport's limited exposure to ultra low-cost carrier volatility, and its alignment with business and premium oriented travel patterns, contributed to stable performance during the fiscal year.

Together these impacts and operating results reinforce the airport's ongoing role as a critical regional transportation asset supporting economic activity, connectivity, and mobility within Central Virginia as of the end of FY25.

## **Airport Outlook**

### **Penny Shifflett, Chief Financial Officer**

The aviation sector continues to demonstrate a strong and sustained recovery, and CHO is well positioned to benefit from this upward momentum. Rising passenger demand, coupled with deliberate infrastructure planning, supports a favorable outlook for airport operations, customer experience, and regional economic contribution.

Passenger activity at CHO has increased notably, with traveler volumes up approximately 9.4 percent compared to the prior year. This growth underscores the airport's continued rebound following the pandemic. While commercial airline revenues represent a substantial share of total airport income, non-airline revenues also play a critical role. Terminal rental car services, food and beverage concessions, and parking revenues remain closely correlated with passenger volumes and continue to contribute significantly to overall financial performance. These revenue streams are expected to strengthen further as both leisure and business travel continue to expand.

To support this growth, CHO is advancing plans to modernize and expand its facilities. The Terminal Area Development Plan is designed to increase capacity, enhance operational efficiency, and improve overall passenger experience. Planned infrastructure improvements will allow the airport to meet future demand while maintaining a strong commitment to safety and regulatory compliance.

CHO also remains actively engaged with community partners and regional stakeholders to support tourism and economic development. Cooperative marketing initiatives with airline partners and tourism organizations are being pursued to highlight the region's offerings and strengthen market visibility. These efforts are expected to further stimulate passenger growth and regional activity.

Overall, CHO's outlook remains highly positive. Continued increases in passenger traffic, targeted facility improvements, and long-term strategic planning position the airport to support the broader recovery of the aviation industry. Through ongoing adaptation and investment, CHO is well equipped to enhance its market position and deliver lasting economic benefits to the region.

### Capital Planning & Major Initiatives

The Authority adopts a six-year Capital Improvement Program (CIP) each year to dedicate funding for anticipated aviation safety, capacity, preservation, and security projects at CHO. The plan is designed to address deficiencies that have been identified with the Authority's infrastructure/facilities and to implement objectives and priorities with an overall goal of meeting the needs of CHO users while maximizing financial contributions from the Federal Aviation Administration (FAA), the Virginia Department of Aviation (VDOA), Passenger Facility Charges (PFC) calculated in airline ticket purchases, and Customer Facility Charges (CFC) assessed on rental car contracts.

In FY24, the Authority started building on the Terminal Area Master Plan that was completed in FY23. They engaged RS&H, Inc. to update the Airport Layout Plan (ALP) to incorporate a Terminal Area Development Plan addressing additional safety issues identified. The CIP includes an ALP update that was approved by the FAA in FY26. The next step is for the FAA to determine the environmental effort needed for this project. Once determined, CHO will apply for an FAA grant to complete that effort along with preliminary design efforts related to this project.

The Authority is not only planning for future expansion but also acknowledges the need to repair and maintain current facilities. In FY25 a project to replace the baggage handling system was substantially completed along with a project to replace the existing fuel oil-fired hydronic boilers and domestic water heater with new natural gas-fired equipment. That project also included replacing hydronic pumps, associated piping, flues, and accessories. Furthermore, the project installed natural gas piping from the utility-provided gas meter to the mechanical rooms of the terminal building and the ARFF/ATCT buildings.

## **Airport Outlook (Continued)**

### Capital Planning & Major Initiatives (Continued)

One of the maintenance challenges at the airport has been Basin C. This basin was originally built as a sediment basin for the runway extension over ten years ago. As construction progressed, it was converted into a water quality basin with an elevated forebay in 2013. However, Basin C has never been approved by Albemarle County as a Best Management Practice (BMP), despite efforts from the contractor involved in the runway extension and a subsequent contractor who worked on the runway overlay project. To address these issues, CHO engaged RS&H, Inc. to develop a corrective plan. An invitation to bid was issued, and a contract was awarded to Pleasant View Developers, Inc. for \$565,225 to resolve the ongoing problems. This project was substantially completed during FY25 but is still awaiting final County approval.

The Aircraft Rescue Firefighting Building, constructed in 1976, originally served as the terminal building. Following the construction of the new passenger terminal in 1991, it was remodeled to accommodate the airport's firetrucks. The former terminal space was repurposed into a conference room, office space, and kitchen/break room when the new terminal building was constructed. This facility requires repairs and upgrades. The plan includes creating a functional conference room, updating the kitchen area, and refurbishing the office and storage spaces. In FY25 a contract was signed with Caspian Construction LLC to complete the rehabilitation. The project is expected to be completed in FY26.

To enhance security, CHO is upgrading its security system. This project will improve closed-circuit camera coverage throughout the airport and update access control software and hardware to current standards. It will require heavy coordination with the Transportation Security Administration and the FAA. In FY25, a request for proposals was advertised for this project. It is expected to be completed in FY26.

CHO has averaged more than 100,000 or more aircraft operations annually over the past three years, and therefore is required to follow the FAA's Safety Management System (SMS) program. CHO engaged RS&H in FY24 to conduct a Gap Analysis and develop an Implementation Plan for review and approval by FAA. In FY25, CHO worked with RS&H to develop the SMS Program Manual that outlines the four core SMS components: Safety Policy, Safety Risk Management, Safety Assurance, and Safety Promotion. FAA comments are being addressed, and the SMS Program is anticipated for full implementation in early 2026.

Runway 3-21 and parallel Taxiway A pavements were last rehabilitated in 2017 and last painted in 2022. The pavements are in need for crack sealing and minor patching, and the runway is also in need of rubber removal and repainting. CHO secured FAA and VDOA funding in FY25 for maintenance of the runway and parallel taxiway. Work will begin in spring 2026 and will take place with nighttime closures of the airfield.

## **Financial Controls**

### Accounting and Budgetary Controls

Although no cost-effective set of accounting controls can guarantee complete freedom from unauthorized use of assets or errors in reporting financial data, existing Authority procedures provide reasonable assurance that assets are properly recorded and protected, and that financial information can be confidently used in the preparation of reports, historical summaries, and projections.

Because the Authority is designed to be a self-supporting and self-sustaining entity, the measurement focus of its financial accounting system is on the preservation of capital. Closely related to this accounting focus, which determines what is measured, is the basis of accounting, which determines when transactions are recognized. To this end, the Authority uses the full accrual basis of accounting, where revenues are recognized in the period in which they are incurred, regardless of the actual receipt or disbursement of cash.

## **Financial Controls (Continued)**

### Accounting and Budgetary Controls (Continued)

The Authority is responsible for establishing and maintaining an internal control structure designed to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived from its use, and 2) the valuation of costs and benefits requires estimates and judgments by management.

Through its Indenture of Trust and residual airline use agreement (which is currently in a hold-over status), the Authority is required to prepare and adopt an annual operating budget. The annual budget corresponds to the fiscal year (July 1- June 30), and is prepared and adopted as follows:

1. Division heads/account holders prepare preliminary operating budgets and submit them for compilation and review.
2. Airline rates and charges are calculated based upon the anticipated level of expenses, debt service, and capital asset acquisition.
3. The preliminary budget is presented to the airlines for review.
4. The preliminary budget is presented to the Authority for review and approval.
5. After adoption, the Authority may amend the annual budget at any time during the year. The budget lapses at the end of the fiscal year for all accounts except multi-year construction projects and specific re-appropriations for funds committed at year-end for which goods and/or services have not been received.

### Airline Use Agreements

The Authority operates within the provisions of an Airline-Airport Use and Lease Agreement. The agreement is comprised of a revenue/deficit sharing arrangement whereby all year-end net income deficits are debited to signatory airlines. Other than the annual revenue covenant coverage appropriation to the Authority, the fiscal year budget is calculated to result in a break-even posture. All operational debt service is included in the airline rates. The use agreement allows a majority-in-interest vote for eligible airlines for capital improvement appropriations in excess of the annual operating budget and specifically defined costs. The current use agreement expired on June 30, 2010. A replacement agreement has not been completed but continues in negotiation. Both the airlines and the Airport continue to operate within the hold-over provisions established by the agreement, and the airlines continue to provide the required insurance, bonds, etc. until the new agreement is finalized.

### Independent Audit

State statutes and federal regulations require that an annual audit be conducted for the Authority by an independent certified public accountant. The accounting firm of Robinson, Farmer, Cox Associates has been retained by the Authority for this purpose. In addition to meeting the requirements set forth in statutes, this audit is also designed to meet the requirements of the federal Single Audit Act of 1984 and related Uniform Guidance. The auditors' report on the basic financial statements is included in the financial section of this report, while reports relating to the single audit and the passenger facility charge program are in the compliance section.

### Management's Discussion and Analysis

The management's discussion and analysis is included in the Financial Section of this report and is intended to provide the reader with an introduction to and overview of the Authority's financial statements.

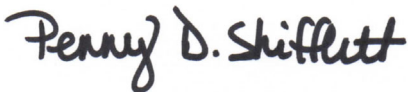
## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its 2024 Annual Comprehensive Financial Report (ACFR). This represents thirty-four years that the Authority has received this Certificate. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for the preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, which conforms to established program standards. The Authority is confident that this report continues to conform to the Certificate of Achievement program requirements and will be submitted to GFOA for consideration for the award.

## **Acknowledgments**

While preparation of the annual comprehensive financial report is completed by the Chief Executive Officer and the Chief Financial Officer, the participation and performance of all purchasers and managers are crucial for the financial success of the Airport. In addition, the leadership of the Chief Executive Officer and the Authority Board in setting the highest financial standards for professionalism create the framework in which the staff can undertake the mission of providing an economical, safe, and pleasing airport environment conducive to allowing all forms of air travel to thrive for the benefit of Charlottesville, Albemarle, and surrounding communities.

Respectfully submitted,

A handwritten signature in black ink that reads "Penny D. Shifflett". The signature is written in a cursive, flowing style.

Penny D. Shifflett  
Chief Financial Officer

# **CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

## **PRINCIPAL OFFICIALS AS OF JUNE 30, 2025**

### *CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY BOARD*

Chairman

Jeff Richardson, County Executive, County of Albemarle

Vice-Chairman

Samuel Sanders, City Manager, City of Charlottesville

Pace Lochte, Assistant Vice President for Economic Development,  
University of Virginia

### *CHARLOTTESVILLE-ALBEMARLE JOINT AIRPORT COMMISSION*

Chairman

John Mattern III

Vice-Chairman

Brian Johnson

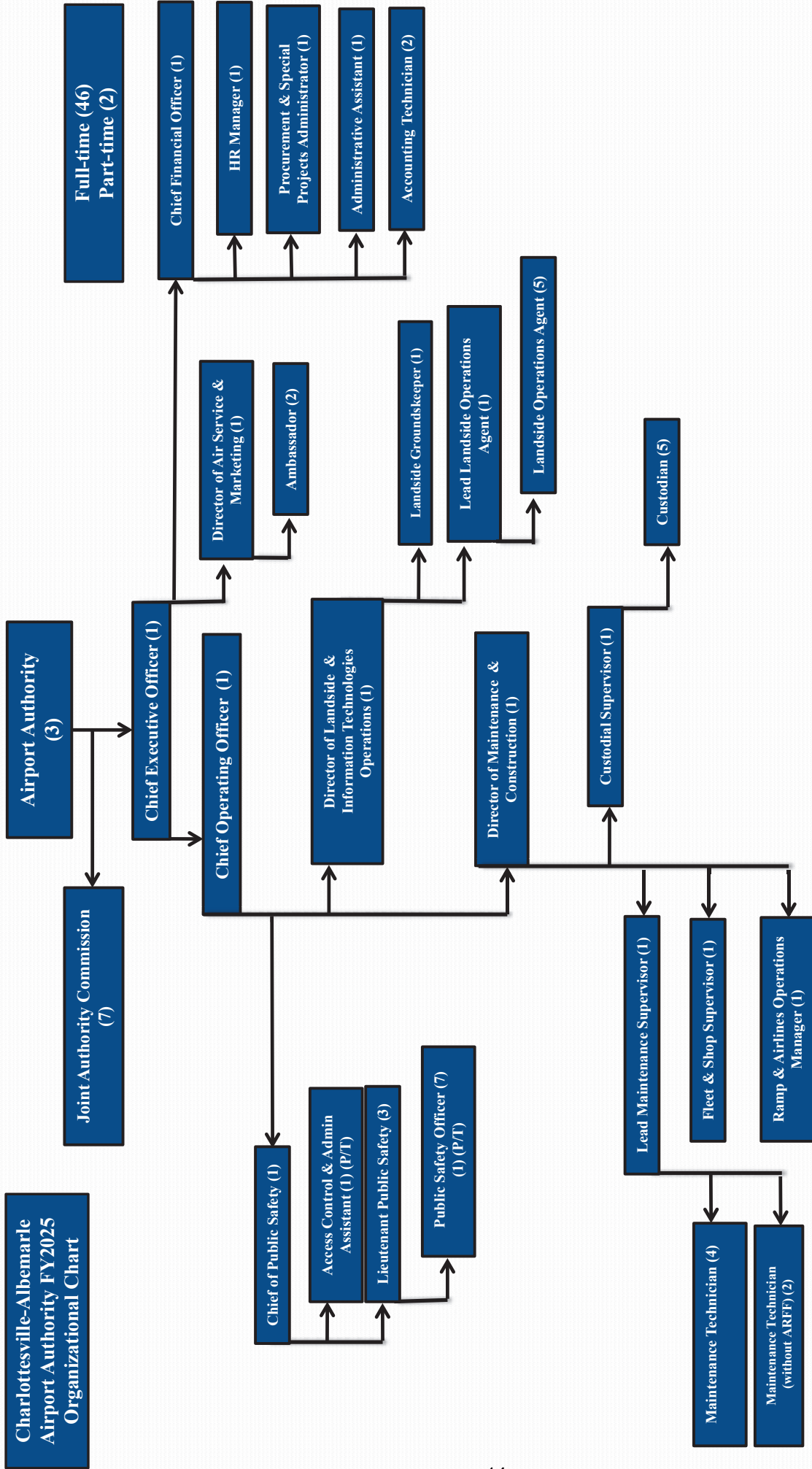
Roy Van Doorn

John Post

Francis Caruccio

Benjamin Chambers

Pace Lochte



## **CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

### **VISION**

Charlottesville-Albemarle Airport is Central Virginia's Airport of Choice.

### **MISSION**

To provide a world class airport that enthusiastically serves its customers through extreme:

- ❖ Convenience
- ❖ Cleanliness
- ❖ Safety & Security
- ❖ Enhanced Air Service

### **VALUES**

- ❖ Honesty
- ❖ Respect
- ❖ Integrity
- ❖ Loyalty
- ❖ Passion
- ❖ Environmental Conscientiousness

### **ORGANIZATIONAL GOAL CATEGORIES**

- ❖ Cost Effectiveness
- ❖ Growth
- ❖ Safety
- ❖ Customer Focus
- ❖ Employee Focus
- ❖ Productivity
- ❖ Communication



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Charlottesville-Albemarle Airport Authority  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

## FINANCIAL SECTION





---

**Independent Auditors' Report**

---

**To The Honorable Members of The  
Charlottesville-Albemarle Airport Authority  
Charlottesville, Virginia**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the business-type activities of Charlottesville-Albemarle Airport Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Charlottesville-Albemarle Airport Authority, as of June 30, 2025, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. 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 Charlottesville-Albemarle Airport Authority, 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 opinion.

***Change in Accounting Principles***

As described in Note 15 to the financial statements, in 2025, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Restatement of Beginning Balances***

As described in Note 15 to the financial statements, in 2025, the Authority restated beginning balances to reflect the requirements of GASB Statement No. 101. 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

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

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

## **Report on Summarized Comparative Information**

We have previously audited the Charlottesville-Albemarle Airport Authority's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Charlottesville-Albemarle Airport Authority's basic financial statements. The accompanying other supplementary information 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. In our opinion, the other supplementary information 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 opinion on the basic financial statements does 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 15, 2025, on our consideration of Charlottesville-Albemarle Airport Authority'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 Charlottesville-Albemarle Airport Authority'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 Charlottesville-Albemarle Airport Authority's internal control over financial reporting and compliance.



Charlottesville, Virginia  
December 15, 2025

## ***MANAGEMENTS' DISCUSSION AND ANALYSIS***

This Management Discussion and Analysis (MD&A) provides an introduction and overview to the Authority's financial statements for the fiscal year ended June 30, 2025. It is unaudited and should be read in conjunction with the financial statements, and notes thereto, which follow in this section.

### **Basic Financial Statements**

The Authority's basic financial statements include three statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The Statement of Net Position depicts the Authority's financial position on June 30, 2025, the end of the Authority's fiscal year. The Statement shows all of the financial assets and liabilities of the Authority. Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

The Statement of Revenues, Expenses and Changes in Net Position reports operating revenues, operating expenses, non-operating revenues, non-operating expenses, contributed capital and changes in net position during the fiscal year ended June 30, 2025. The Statement of Revenues, Expenses and Changes in Net Position is prepared on an accrual basis, recognizing revenue when earned and expenses when incurred.

The Statement of Cash Flows presents information on how the Authority's cash and cash equivalents position changed during the fiscal year, as well as illustrates the reconciliation of operating income to net cash provided by operating activities. Cash receipts and payments are classified as Operating Activities, Capital and Related Financing Activities, and Investing Activities.

### **Airport Activities and Highlights**

From an operational standpoint, the Authority had a steady increase in activity in relation to the prior fiscal due to the effects of COVID spread worldwide. Passenger enplanements increased 9.4% to 361,571. Parking revenue increased 12% and airline revenue increased 13%. Both of these revenue streams are directly related to the increase in passenger traffic. The increase in airline revenues is also related to FY25 being the second year after COVID where the financial support from the federal government ended and the airport reverted to its prior methodology, which seeks cost recovery from the airlines.

## Airport Activities and Highlights: (Continued)

In FY25, the Authority experienced increases in enplanements and landed weights due to continued recovery from the pandemic.

	FY 2025	FY 2024	FY 2023
Enplanements (persons)	361,571	330,418	275,002
Aircraft Landed Weights (1000's of lbs)	414,854	382,590	340,689
Operations (take-off & landings):			
Commercial	32,370	32,807	29,756
General Aviation	87,056	80,719	77,974
Military	12,058	13,799	13,392
<b>Total Operations</b>	<b>131,484</b>	<b>127,325</b>	<b>121,122</b>

## Financial Highlights

### Summary of Operations & Changes in Net Position

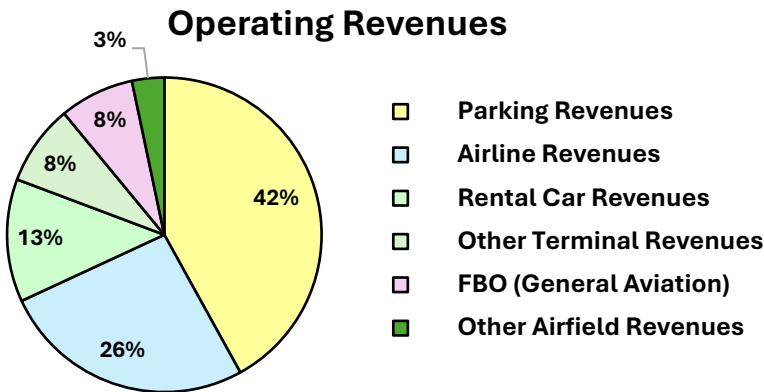
A summary of the Authority's Operations and Changes in Net Position at June 30, 2025 is set forth below:

Summary of Operations & Changes in Net Position	2025	2024	2023
Operations:			
Revenues	\$ 11,413,685	\$ 10,296,175	\$ 7,822,469
Expenses	<u>(8,894,885)</u>	<u>(8,848,243)</u>	<u>(8,635,203)</u>
Income/(loss) before depreciation & nonoperating income/(expenses)	2,518,800	1,447,932	(812,734)
Nonoperating income/(expenses)	<u>451,545</u>	<u>499,866</u>	<u>253,948</u>
Income/(loss) before capital contributions & depreciation	2,970,345	1,947,798	(558,786)
Depreciation	<u>(5,123,479)</u>	<u>(5,129,206)</u>	<u>(5,009,242)</u>
Income/(loss) before capital contributions	(2,153,134)	(3,181,408)	(5,568,028)
Capital contributions	<u>4,575,528</u>	<u>4,718,146</u>	<u>9,942,263</u>
Net Position:			
Increase in net position	2,422,394	1,536,738	4,374,235
Total net position, beginning of year, as restated	141,512,193	140,059,110	135,684,875
<b>Total net position, end of year</b>	<b>\$ 143,934,587</b>	<b>\$ 141,595,848</b>	<b>\$ 140,059,110</b>

The 1.65% increase in net position for FY25 is primarily related to a continuing increase in passenger traffic which results in increased operating revenue.

Operating & Non-operating Revenue Highlights

The following chart shows the major sources and percentage of operating revenues for the fiscal year ended June 30, 2025:



As illustrated in the Statistical section of this document, parking revenue, airline revenue and rental car revenue have remained the primary sources of revenues; parking revenue was 52% of operating revenue in FY 2015 to 42% in FY 2025. Rental car revenue slightly decreased from 15% in FY2015 to 14% in FY2025, and airline revenue increased from 19% in FY2015 to 26% in FY2025.

A summary of revenues for the year ended June 30, 2025 follows:

Summary of Revenues	2025	2024	2023
<b>Operating:</b>			
Parking Revenues	\$ 4,790,812	\$ 4,296,437	\$ 3,571,752
Airline Revenues	2,981,113	2,636,806	1,231,771
Rental Car Revenues	1,440,932	1,397,694	1,233,583
Other Terminal Revenues	946,101	613,900	534,311
FBO (General Aviation)	876,965	631,769	610,186
Other Airfield Revenues	377,762	719,569	640,866
<b>Total Operating Revenues</b>	<b>\$ 11,413,685</b>	<b>\$ 10,296,175</b>	<b>\$ 7,822,469</b>
<b>Nonoperating:</b>			
Interest Income	\$ 671,284	\$ 595,887	\$ 76,961
Other Income	-	-	50,330
COVID and State grants	-	101,664	309,835
<b>Total Nonoperating Revenues</b>	<b>\$ 671,284</b>	<b>\$ 697,551</b>	<b>\$ 437,126</b>
<b>Total Revenues Prior to Capital Contributions</b>	<b>\$ 12,084,969</b>	<b>\$ 10,993,726</b>	<b>\$ 8,259,595</b>
Capital Contributions	4,575,528	4,718,146	9,942,263
<b>Total Revenues</b>	<b>\$ 16,660,497</b>	<b>\$ 15,711,872</b>	<b>\$ 18,201,858</b>

The increases in all of the operating revenue items are directly related to the continuing recovery from the pandemic.

Nonoperating revenues decreased slightly by 3.8% from FY24 to FY25, primarily due to the discontinuation of the TSA LEO Reimbursement Grant in FY24.

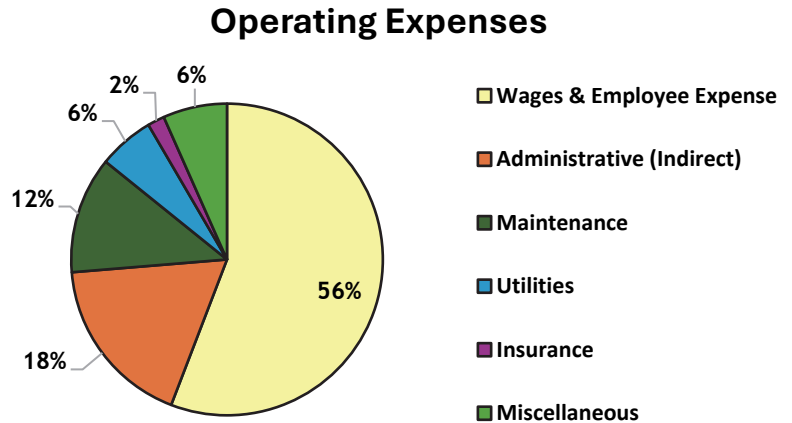
Capital Contributions

Capital contributions decreased by 3% in FY25.

Operating & Nonoperating Expense Highlights

The following chart illustrates the major sources and percentage of operating expenses for the fiscal year ended June 30, 2025:

Wages includes all employee wages except administrative wages, and all Authority-paid taxes and benefits, as well as associated employee costs such as training and uniforms. Administrative costs are traditional indirect expenses and include administrative wages and employee costs, advertising and promotion expense, legal expenses, and miscellaneous professional fees. Maintenance expenses cover not only traditional building systems, but landside, roadway, and airfield pavement, lighting systems and equipment repairs as well.



A summary of the expenses for the year ended June 30, 2025 follows:

Summary of Expenses	2025	2024	2023
<b>Operating:</b>			
Wages & Employee Expense	\$ 4,972,302	\$ 4,645,751	\$ 3,832,042
Administrative (Indirect)	1,590,016	1,900,651	2,232,017
Maintenance	1,077,483	1,188,265	1,503,530
Utilities	515,503	526,780	475,111
Insurance	157,132	179,841	123,906
Miscellaneous	582,449	406,955	468,597
<b>Total Operating Expenses</b>	<b>\$ 8,894,885</b>	<b>\$ 8,848,243</b>	<b>\$ 8,635,203</b>
<b>Nonoperating:</b>			
Interest Expense	\$ 9,481	\$ 13,705	\$ 18,023
Rental Car Service Facility Expense	210,258	183,980	165,155
<b>Total Nonoperating Expenses</b>	<b>\$ 219,739</b>	<b>\$ 197,685</b>	<b>\$ 183,178</b>
<b>Total Expenses</b>	<b>\$ 9,114,624</b>	<b>\$ 9,045,928</b>	<b>\$ 8,818,381</b>

Overall expenses have remained relatively stable, with wage increases from FY24 to FY25 driven by inflation and the need to remain competitive in the job market.

## Financial Position Summary

The Statement of Net Position reports the Authority's financial position as of June 30, 2025. It represents the Authority's assets and deferred outflows of resources after deducting liabilities and deferred inflows of resources. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$143,943,587 at June 30, 2025, a 1.65% or \$2,338,739 increase over June 30, 2024.

A condensed summary of the Authority's total net position at June 30, 2025 is set forth below:

	2025	2024	2023
<b>Assets:</b>			
Current unrestricted assets	\$ 17,169,027	\$ 15,390,668	\$ 13,736,875
Restricted assets	20,024,078	18,100,950	16,329,602
Noncurrent assets	6,837,005	8,390,347	9,736,727
Capital assets	112,770,106	113,940,910	116,361,589
<b>Total assets</b>	<b>\$ 156,800,216</b>	<b>\$ 155,822,875</b>	<b>\$ 156,164,793</b>
Deferred outflows of resources	\$ 874,005	\$ 1,159,081	\$ 722,231
<b>Liabilities:</b>			
Current liabilities	\$ 1,281,409	\$ 1,181,949	\$ 1,880,793
Noncurrent liabilities	3,908,108	4,227,468	3,535,131
<b>Total liabilities</b>	<b>\$ 5,189,517</b>	<b>\$ 5,409,417</b>	<b>\$ 5,415,924</b>
Deferred inflows of resources	\$ 8,550,117	\$ 9,976,691	\$ 11,411,990
<b>Net Position:</b>			
Net investment in capital assets	\$ 110,747,886	\$ 111,820,210	\$ 113,242,543
Restricted	20,024,078	18,100,950	16,329,586
Unrestricted	13,162,623	11,674,688	10,486,981
<b>Total Net Position</b>	<b>\$ 143,934,587</b>	<b>\$ 141,595,848</b>	<b>\$ 140,059,110</b>

Net Position is comprised of three components as follows:

*Investment in capital assets* (e.g. land, buildings, equipment, etc.) net of depreciation and less the outstanding indebtedness used to acquire the assets, decreased .96% which resulted from a decrease in capitalized projects. This category represents 77% of the Authority's net position as of June 30, 2025.

*Restricted net position* (13.91% of total net position) includes funds that are restricted in use such as the PFC funds, federal and state grant funds, and Customer Facility Charge (CFC) funds less related liabilities. The increase of 12% in the restricted cash balance in these funds compared to June 30, 2024 is the result of the accumulation of PFC and CFC funds.

*Unrestricted net position* is allocable for any reason by the Airport Authority. Unrestricted net position represents current assets and pension and OPEB related deferred outflows of resources less current liabilities (other than notes payable) less accrued leave less net pension liability, net OPEB liability, and pension and OPEB related deferred inflows of resources. At June 30, 2025, there was a 13% increase in unrestricted net position compared to June 30, 2024. This increase is attributed to FY25 activity resulting in operating income before depreciation and amortization.

### Summary of Cash Flow Activities

Net cash provided by the operation of positive \$2,373,327 is a 54.4%, or \$836,470 increase from the prior year. This was due to the increase in cash received from operating revenues in FY25 compared to FY24.

### Airline Signatory Rates and Charges

The Authority and its commercial service airlines are negotiating a renewal of the signatory airline use agreement originally executed in fiscal year 2002, which utilized a full residual rate-making methodology. This agreement allowed the Authority to include debt service in the rates and charges and to invoice airlines for any year-end deficit to meet bond and operating requirements. Net income above the budgeted amount was returned to the signatory airlines in the form of an airline settlement at the conclusion of the fiscal year. The contract expired June 30, 2010 placing the airlines in a holdover position which does not require for the distribution of the airline settlement. A replacement agreement has not been completed but continues in negotiation. Rates and charges for the airlines over the last 36 months are as follows:

	FY 2025	FY 2024	FY 2023
Landing Fees (1,000 lbs unit)	3.70	3.39	2.07
Average Terminal Rental Rates (s.f.)	84.48	77.26	28.58
Airline Cost per Enplanement	8.51	8.29	4.48

Once the pandemic started affecting all aspects of the travel industry, the airport allowed the airlines to no longer pay a set monthly terminal rental fee and began charging the airlines a monthly rental fee based on enplaned passengers. This methodology appeared to be the most rational formula in that it allowed the cost per enplaned passenger to remain attractive to the airlines which was viewed very favorably by the airlines. This methodology started during FY20 and remained in effect throughout FY23. The increases in landing fees, terminal rental rates, and airline cost per enplanement for FY24 and FY25 are directly related to reverting back to the previous methodology used for budgeting purposes prior to the pandemic.

### Financial Statements

The Authority's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses when incurred. Capital assets, excluding land, are capitalized and depreciated over their useful lives. Funds are restricted for debt service and, where applicable, for construction activities. See Notes to the Financial Statements for a summary of the Authority's significant accounting policies.

### Capital Acquisitions and Construction Activities

During FY25, the Authority expended \$4,071,357 on capital activities. These included construction projects mainly related to the Bag Belt Replacement Project, the Reconstruction of Basin C, the Mechanical System Upgrade, along with numerous capital projects that are smaller in scale. Additional information may be found in the Notes to Financial Statements section of this document, Note 6 – Changes in Capital Assets and Construction in Progress.

Capital Acquisitions and Construction Activities: (Continued)

Capital acquisitions totaling \$408,263 were comprised of the following:

<b>Capitalized Item</b>	<b>Value</b>
Parking lot and roadway	\$ 20,643
Modular building for snow removal	118,682
Christmas tree	16,200
Vehicles and equipment	209,378
Artic Wolf hardware and software	43,360
<b>Total</b>	<b>\$ 408,263</b>

Long Term Debt Administration

In 2014, the Authority issued \$1,612,000 in taxable Series 2014 Airport Revenue Bonds dated October 30, 2014 maturing annually from 2016 through 2025 with interest of 1.570%. The balance outstanding as of June 30, 2025 was \$90,861.

In 2021, the Authority issued \$1,949,031 in Series 2021 Airport Revenue Bonds dated June 3, 2021 maturing annually from 2021 through 2031 with interest of 0.560% for parking lot expansion refinancing. The balance outstanding as of June 30, 2025 was \$1,182,411.

Currently, all of the Authority's debt is funded with the Virginia Resource Authority, and as such, the Authority does not have an active credit rating. Additional information on the Authority's Bonds can be found in Note 7 – Long-Term Obligations in the Notes to the Financial Statements.

Passenger Facilities Charge (PFC)

In June 1992, the FAA authorized the Authority to impose a PFC in accordance with section 158.29 of the FAA Regulations (Title 14, Code of Federal Regulations, Part 158). The charge was instituted on September 1, 1992 and consisted of a \$2.00 charge per passenger, less airline fees. PFC's are collected by the airline carriers and remitted to the Authority on a monthly basis. These funds are authorized to be collected until the amount of funds collected plus interest earned equals the allowable costs approved by the FAA for certain capital projects.

In January 1995, the FAA authorized the imposition of a new \$3.00 PFC, which was remitted to the Authority on a monthly basis. In October 2004, the FAA authorized an increase in the collection level from \$3.00 to \$4.50.

The last application that was approved by the FAA was an amendment to PFC Application No 16-22-C-02-CHO in May of 2025. This amendment authorized the collection of an additional \$482,386 and is a reimbursement of Virginia State Entitlements used on the Runway 3-21 Extension project and the Terminal Security Checkpoint Expansion Project. The current expiration date is December 1, 2027.

Pension and OPEB Programs

The Authority is a member of the Virginia Retirement System (VRS). VRS is the public employees' retirement plan for Commonwealth of Virginia employees. Municipalities, counties and local public agencies may elect to join VRS. The Authority contributes a percentage of payroll to VRS on behalf of its fulltime employees, the rate set bi-annually by VRS as actuarially determined (11.03% during FY 2025). Employees are also provided group life insurance benefits through VRS. The Authority contributes a percentage of payroll to VRS on behalf of its fulltime employees, the rate set by VRS as actuarially determined (1.18% during FY 2025 (allocated into an employee and employer component using a 60 (.71%)/40 (.47%) split)).

Request for Information

This financial report is designed to provide a general overview of the Authority's financial condition and activities. Questions concerning any of the information provided in this report or requests for additional information should be addressed in writing to the Chief Financial Officer, Charlottesville - Albemarle Airport Authority, 100 Bowen Loop Suite 200, Charlottesville, VA 22911.

Respectfully submitted,



Penny D. Shifflett  
Chief Financial Officer

## **BASIC FINANCIAL STATEMENTS**

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Statement of Net Position  
At June 30, 2025  
(With Comparative Totals for the Prior Year)

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 15,005,317	\$ 13,370,427
Prepaid insurance	6,352	6,182
Prepaid insurance - CFC facility	4,235	4,121
Leases receivable	1,473,493	1,455,484
Other prepaid items	4,917	9,752
Accounts receivable - net	674,713	544,702
Total current unrestricted assets	\$ 17,169,027	\$ 15,390,668
Restricted assets:		
Capital Funds:		
Cash and cash equivalents	\$ 785,371	\$ 766,928
Receivable	621,968	621,968
Passenger Facility Charge Funds:		
Cash and cash equivalents	3,317,889	2,807,564
Receivable	104,334	239,748
Customer Facility Charge Funds:		
Cash and cash equivalents	4,344,043	3,628,277
Receivable	79,539	80,273
Renewal and Replacement Funds:		
Cash and cash equivalents	135,556	164,546
State Entitlement Funds:		
Cash and cash equivalents	10,297,124	9,464,483
Total current restricted assets	\$ 19,685,824	\$ 17,773,787
Total current assets	\$ 36,854,851	\$ 33,164,455
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents:		
Revenue bond funds	\$ 125,078	\$ 119,818
Debt reserve funds	213,176	207,345
Leases receivable	6,837,005	8,390,347
Total noncurrent restricted assets	\$ 7,175,259	\$ 8,717,510
Capital assets:		
Land	\$ 20,034,631	\$ 20,034,631
Construction in progress	10,734,175	7,189,763
Building, improvements and equipment, net of accumulated depreciation	81,839,332	86,547,201
Subscription asset, net of accumulated depreciation	123,677	157,795
Intangibles, net of accumulated amortization	38,291	11,520
Total capital assets (net of accumulated depreciation and amortization)	\$ 112,770,106	\$ 113,940,910
Total noncurrent assets	\$ 119,945,365	\$ 122,658,420
Total assets	\$ 156,800,216	\$ 155,822,875
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	\$ 821,203	\$ 1,097,442
OPEB related items	52,802	61,639
Total deferred outflows of resources	\$ 874,005	\$ 1,159,081

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Statement of Net Position  
At June 30, 2025  
(With Comparative Totals for the Prior Year)

	<b>2025</b>	<b>2024</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable:		
Operating	\$ 154,012	\$ 322,768
Unearned revenue	28,962	21,600
Accrued payroll and related liabilities	98,280	68,068
Compensated absences	34,526	23,171
Subscription liability	34,057	34,178
A/P security deposits/performance bonds	32,617	32,617
Revenue bonds payable	285,195	373,021
Accrued interest	1,223	2,708
Liabilities payable from restricted assets (accounts payable and retainage payable):		
Capital funds	612,537	303,818
Total current liabilities	\$ 1,281,409	\$ 1,181,949
Noncurrent Liabilities:		
Compensated absences	\$ 310,734	\$ 208,536
Subscription liability	102,354	136,411
Net pension liability	2,373,032	2,449,980
Net OPEB liability	133,911	159,269
Revenue bonds payable	988,077	1,273,272
Total noncurrent liabilities	\$ 3,908,108	\$ 4,227,468
Total liabilities	\$ 5,189,517	\$ 5,409,417
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	\$ 203,091	\$ 105,156
OPEB related items	36,528	25,704
Lease related items	8,310,498	9,845,831
Total deferred inflows of resources	\$ 8,550,117	\$ 9,976,691
<b>NET POSITION</b>		
Net investment in capital assets	\$ 110,747,886	\$ 111,820,210
Restricted for:		
Capital Projects	\$ 1,407,339	\$ 1,388,896
PFC fund	3,422,223	3,047,312
State Entitlement fund	10,297,124	9,464,483
Renewal & Replacement	135,556	164,546
CFC fund	4,423,582	3,708,550
Bond fund	125,078	119,818
Debt Reserve	213,176	207,345
Total restricted assets	\$ 20,024,078	\$ 18,100,950
Unrestricted	\$ 13,162,623	\$ 11,674,688
Total net position	\$ 143,934,587	\$ 141,595,848

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

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Statement of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2025  
(With Comparative Totals for the Prior Year)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Parking	\$ 4,790,812	\$ 4,296,437
Terminal	3,945,818	3,692,666
Airfield	2,677,055	2,307,072
Total operating revenues	<u>\$ 11,413,685</u>	<u>\$ 10,296,175</u>
Operating expenses:		
Direct operating expenses:		
Parking	\$ 2,120,021	\$ 1,878,270
Terminal	3,012,189	3,026,243
Airfield	2,172,659	2,043,079
Total direct operating expenses	<u>\$ 7,304,869</u>	<u>\$ 6,947,592</u>
Indirect operating expense:		
Administrative	\$ 1,590,016	\$ 1,900,651
Total operating expenses	<u>\$ 8,894,885</u>	<u>\$ 8,848,243</u>
Operating income (loss) before depreciation and amortization	\$ 2,518,800	\$ 1,447,932
Depreciation and amortization	(5,123,479)	(5,129,206)
Operating income (loss)	<u>\$ (2,604,679)</u>	<u>\$ (3,681,274)</u>
Nonoperating revenues (expenses):		
Interest income	\$ 671,284	\$ 595,887
CFC expenses	(210,258)	(183,980)
Interest expense	(9,481)	(13,705)
State Grants	-	101,664
Total nonoperating revenue (expenses)	<u>\$ 451,545</u>	<u>\$ 499,866</u>
Net income (loss) before capital contributions	<u>\$ (2,153,134)</u>	<u>\$ (3,181,408)</u>
Capital contributions:		
Federal construction revenue	\$ -	\$ 587,537
State construction revenue	2,096,089	1,905,358
PFC fund	1,534,814	1,407,149
CFC fund	944,625	818,102
Total capital contributions	<u>\$ 4,575,528</u>	<u>\$ 4,718,146</u>
Net position		
Increase in net position	\$ 2,422,394	\$ 1,536,738
Total net position, beginning of year, as originally reported	<u>141,595,848</u>	<u>140,059,110</u>
Restatement	\$ (83,655)	\$ -
Total net position, beginning of year, as restated	<u>141,512,193</u>	<u>140,059,110</u>
Total net position, end of year	<u>\$ 143,934,587</u>	<u>\$ 141,595,848</u>

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

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

## Statement of Cash Flows

Year Ended June 30, 2025

(With Comparative Totals for the Prior Year)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from providing services	\$ 11,291,036	\$ 10,067,776
Cash paid to suppliers	(3,557,526)	(3,531,959)
Cash paid to and for employees	(5,360,183)	(4,998,960)
Net cash provided by (used for) operating activities	<u>\$ 2,373,327</u>	<u>\$ 1,536,857</u>
Cash flows from noncapital financing activities:		
CARES and State Grants	\$ -	\$ 101,665
Cash flows from capital and related financing activities:		
Acquisition of land, property and equipment	\$ (364,903)	\$ (645,056)
Additions to intangible assets	(43,360)	-
Additions to construction in progress	(3,235,693)	(2,832,943)
Debt service paid	(373,021)	(369,155)
Additions to subscription liability	-	170,589
Subscription liability payments made	(34,178)	(30,309)
Interest paid on debt	(10,966)	(10,825)
Contributions from Virginia Department of Aviation	2,096,089	1,905,358
Contributions from Federal Aviation Administration	-	1,185,670
Contributions from Passenger Facility Charge (PFC)	1,670,228	1,378,782
Contributions from Customer Facility Charge (CFC)	945,359	810,728
Net cash provided by (used for) capital and related financing activities	<u>\$ 649,555</u>	<u>\$ 1,562,839</u>
Cash flows from investing activities:		
Investment interest earned	\$ 671,284	\$ 595,887
Net increase (decrease) in cash and cash equivalents	\$ 3,694,166	\$ 3,797,248
Cash and cash equivalents at beginning of year (including restricted accounts)	30,529,388	26,732,140
Cash and cash equivalents at end of year (including restricted accounts)	<u>\$ 34,223,554</u>	<u>\$ 30,529,388</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating loss	\$ (2,604,679)	\$ (3,681,274)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization expense	\$ 5,123,479	\$ 5,129,206
CFC operations	(210,372)	(184,199)
Changes in operating assets and liabilities and deferred outflows/ inflows of resources:		
Accounts receivable	(130,011)	(221,910)
Leases receivable	1,535,333	1,339,217
Prepaid items	4,665	34,687
Deferred outflows related to pension	276,239	(437,168)
Deferred outflows related to OPEB	8,837	318
Accounts payable - operating	(168,756)	59,345
Accrued payroll and related liabilities	30,212	10,534
Accrued compensated absences	29,898	9,397
Unearned revenue	7,362	(6,489)
Net pension liability	(76,948)	912,578
Net OPEB liability	(25,358)	7,914
Deferred inflows related to pension	97,935	(86,963)
Deferred inflows related to OPEB	10,824	(9,119)
Deferred inflows related to leases	(1,535,333)	(1,339,217)
Total adjustments	<u>\$ 4,978,006</u>	<u>\$ 5,218,131</u>
Net cash provided by (used for) operating activities	<u>\$ 2,373,327</u>	<u>\$ 1,536,857</u>
Schedule of noncash capital and related financing activities:		
Increase (decrease) in capital contribution receivables	\$ (136,148)	\$ (562,392)
Increase (decrease) in capital related payables	<u>\$ 308,719</u>	<u>\$ (769,471)</u>

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

**Charlottesville - Albemarle Airport Authority**  
**Notes to Financial Statements**

	<u>Page</u>
1. Financial Reporting Entity	35
2. Summary of Significant Accounting Policies	35-40
3. Restricted Assets	40
4. Deposits and Investments	41-42
5. Accounts Receivable	43
6. Changes in Capital Assets and Construction in Progress	44
7. Long-Term Obligations	45-47
8. Leases	47-48
9. Compensated Absences	48
10. Pension Plan	48-57
11. Other Postemployment Benefits	57-65
12. Risk Management	65
13. Commitments and Contingencies	65
14. Litigation	65
15. Governmental Accounting Standards Board (GASB) Statement	66
16. Upcoming Pronouncements	66

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025

---

### **NOTE 1 – FINANCIAL REPORTING ENTITY:**

The Charlottesville-Albemarle Airport Authority (the “Authority”) was created July 1, 1984 by the Virginia General Assembly, Acts of the Assembly, Chapter 390, 1984 Session. In October 1984, the Airport Board deeded the airport to the Authority, and the Virginia Aviation Commission and Federal Aviation Administration approved the transfer of the Board’s operating license to the Authority. The members of the Board became the members of the Authority, and day-to-day operations of the airport were unchanged. The Authority is organized and exists as a political subdivision of the Commonwealth of Virginia. In 2003, the Act was replaced by Chapter 864 of the Acts of the Virginia General Assembly (2003).

The Authority is organized for the purpose of acquiring, constructing, reconstructing, maintaining, repairing and operating an airport to serve the needs of the City of Charlottesville, Virginia (the “City”), the County of Albemarle, Virginia (the “County”), and the surrounding region. The Act provides that the Authority is authorized to issue revenue bonds for any of its purposes payable solely from the tolls and revenues pledged for their payment; to fix and revise from time to time and change collect tolls, rates, fees, rentals and other charges for the use of the Airport; to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under the Act and to do all acts and things necessary and convenient to carry out the powers expressly granted in the Act.

The Authority is a legally separate organization whose board consists of three members: one, the City Manager of the City, or his or her principal assistant, as chosen by the City Council of the City; one, the County Executive of the County, or his or her principal assistant, as chosen by the Board of Supervisors of the County; and one from the membership of the Charlottesville-Albemarle Joint Airport Commission (the “Commission”), an advisory body created by the Act. Since neither the City nor County can impose its will on the Authority and since there is no potential financial benefit or burden relationship, the City and the County are not financially accountable for the Authority. As such, the Authority is not considered a component unit of either the City or County.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

#### Financial Statement Presentation

Basis of Accounting - The accounts of the Authority are accounted for on the flow of economic resources measurement focus and utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All Authority accounts are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Operating revenues and expenses result from providing services in connection with air transportation. The principal operating revenues of the Authority are charges to customers for sales and services.

Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Prior year totals on the financial statements are presented for informational purposes only. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

*Cash and Cash Equivalents* – For purposes of the statement of cash flows, the Authority considers their demand deposits and all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

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

*Restricted Assets* – Restricted assets consist of monies and other resources as described below:

*Capital Funds* – Proceeds restricted for designated capital projects that cannot be expended for any other item.

*Passenger Facility Charge Funds* – Passenger Facility Charge (PFC) collections are based on FAA approval to impose and collect such charges from the airlines serving the Airport. These funds are restricted for designated projects and/or FAA approved debt incurred to finance the construction of projects.

*Revenue Bond Funds* – 2014 and 2021 airport revenue refunding bond proceeds held in Escrow Funds.

*Renewal and Replacement Funds* – The Authority's Indenture of Trust required the establishment of a \$150,000 Replacement Fund that may be used to make transfers to the Revenue Fund for reasonable and necessary Operation and Maintenance expenses. Any funds used from the Replacement Fund must be repaid in 48 equal monthly deposits. Once all outstanding bonds are redeemed, the funds on deposit in the Replacement Fund may be used by the Authority for any lawful purpose.

*State Entitlement Fund* – The Authority receives annual entitlement fund allocations from the Virginia Department of Aviation which are required to be maintained in a separate, interest-bearing account. The use of the funds is restricted for purposes established by the Virginia Aviation Board. In addition, the Authority is allowed to apply for PFC Funds that are reimbursements of State Entitlement Funds. Once the application is approved, the funds collected are considered State Entitlement Funds and are restricted for purposes established by the Virginia Aviation Board.

*CFC Revenue Fund, CFC General Fund and QTA Maintenance Fund* - Customer Facility Charge (CFC) collections from rental car concessionaires are deposited in the CFC Revenue Fund. Debt service for the rental car service facility is paid and the excess of the funds are transferred to the CFC General Fund to pay certain expenses associated with the service facility. Funds from the CFC General fund are transferred to the QTA Maintenance Fund for future long term maintenance expenses.

*Debt Reserve Funds* – funds held in reserve for 2021 Virginia Resources Authority bonds.

*Allowance for Uncollectible Accounts* – The Authority calculates its allowance for specific accounts using historical collection data and in certain cases, specific account analysis. Historical collection data indicates that any uncollectible amounts would be negligible. Accordingly, an allowance for uncollectible accounts has not been established.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

*Prepaid items* – These assets represent expenses which have been prepaid, including insurance. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

*Capital Assets* – Capital Assets are carried at original historical cost. However, donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition. Depreciation (including amortization of intangible assets) is computed on the straight-line method over the following estimated lives:

Parking lots and roadways.....	5-7 years
Intangible assets.....	5-20 years
Airfield .....	5-30 years
Hangar .....	5-40 years
Terminal.....	5-40 years
Vehicles.....	5-10 years
Furniture and fixtures.....	5-10 years
Computer acquisition .....	3 years
Lease assets.....	2-17 years
Subscription asset.....	2 years

When capital assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in the results of operations. Depreciation expense for the year ended June 30, 2025 was \$5,123,479. The Authority’s current Capital Asset Classification is that any asset or any addition to an asset or improvement of an asset shall be classified as a depreciable asset if the value of the purchase is \$10,000 or more, is purchased from the coverage fund, capital fund or revenue, has an estimated useful life of 3 years or more; and, is considered one of the following: a) equipment, b) vehicle, c) building or improvement, d) airfield equipment or improvement, e) hangar or improvement, or f) intangible asset.

Intangible assets lack physical substance and have a nonfinancial nature and an initial useful life extending beyond a single reporting period.

*Deferred Outflows of Resources* – In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has multiple items that qualify for reporting in this category:

This is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

*Deferred Inflows of Resources* – In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one type of item that qualifies for reporting in this category:

Certain items related to pension, OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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

*Other Postemployment Benefits (OPEB)* – For purposes of measuring the net VRS related OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Indirect Expenses* – Indirect expenses are charged to various cost centers utilizing the ratios as determined by annual airline rates and charges negotiations. These allocations are made to each cost center from total indirect expenses before depreciation.

*Unrestricted Net Position* – Unrestricted net position consists of monies and other resources as described below.

Revenue – Funds used for the daily operations of the Airport Authority.

Coverage Fund – Reserve account established by Indenture of Trust and Airline Use Agreement where the Authority deposits coverage payments from airlines. The Authority may designate use of the funds for capital projects or equipment acquisition.

Discretionary Fund – Funds that are segregated that are not related, in any way, to the airline agreement.

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/ amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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

#### **Leases and Subscription-Based IT Arrangements**

The Authority has various lease assets and subscription-based IT arrangements (SBITAs) 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. 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 of time in an exchange or exchange-like transaction.

##### *Lessor*

The Authority recognizes leases receivable and deferred inflows of resources. 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).

##### *Subscriptions*

The Authority recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$3,500, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

##### *Key Estimates and Judgments*

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the Authority uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **Leases and Subscription-Based IT Arrangements: (Continued)**

##### *Key Estimates and Judgments: (Continued)*

- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

The Authority monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The Authority will remeasure the lease receivable and deferred inflows of resources (lessor), the lease asset and liability (lessee) or the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability.

##### *Regulated Leases*

The leases between the Authority and air carriers and other aeronautical users are subject to external laws, regulations, or legal rulings. The Authority recognizes inflows of resources (revenue) based on the payment provisions of the lease contract.

### **NOTE 3 – RESTRICTED ASSETS:**

The income, principal cash and investments shown on the statement of net position at June 30, 2025 consist of the following:

<b>Restricted Assets:</b>	<b>Cash &amp; Cash</b>		<b>Total</b>
	<b>Equivalents</b>	<b>Receivables</b>	<b>Restricted Assets</b>
Capital Projects	\$ 785,371	\$ 621,968	\$ 1,407,339
PFC Fund	3,317,889	104,334	3,422,223
State Entitlement Fund	10,297,124	-	10,297,124
Renewal & Replacement	135,556	-	135,556
CFC Fund	4,344,043	79,539	4,423,582
Bond Fund	125,078	-	125,078
Debt Reserve Fund	213,176	-	213,176
<b>Total Restricted Assets</b>	<b>\$ 19,218,237</b>	<b>\$ 805,841</b>	<b>\$ 20,024,078</b>

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 4 – DEPOSITS AND INVESTMENTS:**

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

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

#### Custodial Credit Risk (Investments)

The Authority has a formal investment policy. In addition to the requirements set forth by the Code of Virginia, all bond investments are governed by the Authority’s Indenture of Trust. The Indenture requires that all money held in funds or accounts established under the Indenture shall be separately invested and reinvested pursuant to the Code of Virginia requirements for the investment of public funds. In addition, the Indenture sets forth the evaluation of the investments as well as securities for deposits.

As of June 30, 2025, all Authority funds were held in interest-bearing accounts and investments were invested pursuant to the Code of Virginia requirements for the investment of public funds.

The Authority’s money market mutual funds investments of \$125,078 on June 30, 2025 were held in the Authority’s name by the Authority’s custodial bank. The investments were rated AAAM by Standard & Poor’s.

The following is a reconciliation of cash and investments for the fiscal year ended June 30, 2025:

<b>Summary of Cash and Investments:</b>	
Cash on hand and cash items	\$ 6,500
Carrying value of deposits	9,896,364
Investments	<u>24,320,690</u>
Total	<u>\$ 34,223,554</u>
<b>Per Financial Statements:</b>	
Cash and cash equivalents:	
Operating	\$ 15,005,317
Restricted Capital Projects	785,371
Restricted PFC Fund	3,317,889
Restricted CFC Fund	4,344,043
Restricted Renewal & Replacement	135,556
Restricted Entitlement	10,297,124
Restricted Bond Funds	125,078
Restricted Debt Reserve Funds	<u>213,176</u>
Total per financial statements	<u>\$ 34,223,554</u>

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 4 – DEPOSITS AND INVESTMENTS: (CONTINUED)**

Interest Rate Risk

The Authority does not have a formal interest rate risk policy.

Fair Value Measurements

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

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

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

The Authority has the following recurring fair value measurements as of June 30, 2025:

	6/30/2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Mutual Funds	\$ 125,078	\$ 125,078	\$ -	\$ -

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 5 – ACCOUNTS RECEIVABLE:**

Details of changes in Accounts Receivable for the fiscal year ended June 30, 2025 are as follows:

	<u>Non Restricted</u> <u>Assets</u>	<u>Restricted</u> <u>Assets</u>	<u>Total Accounts</u> <u>Receivable</u>
Accounts Receivable			
Operating	\$ 674,713	\$ -	674,713
Capital	-	621,968	621,968
Passenger Facility Charge	-	104,334	104,334
Rental Car Facility Charge	-	79,539	79,539
	<u>\$ 674,713</u>	<u>\$ 805,841</u>	<u>\$ 1,480,554</u>

*Accounts Receivable – Operating* consists of invoices to airport tenants including airlines, rental car concessionaires, fixed base operators and other firms doing business at the airport. Operating receivables increased \$130,011 from fiscal year 2024.

*Capital Receivable* – Capital receivables remained the same during fiscal year 2025 due to the reimbursements and closeouts for several grants still being completed by the FAA. Capital consists of expenditures in construction in progress filed for reimbursement with the Federal Government in the amount of \$621,968.

*Passenger Facility Charge*- Passenger facility charge receivables represent the accrual for funds received in July and August 2025 for the period June 2025.

*Rental Car Facility Charge* – Customer facility charge receivables represent the accrual for funds received in July 2025 for the period June 2025.

**NOTE 6 – CHANGES IN CAPITAL ASSETS AND CONSTRUCTION IN PROGRESS:**

Net capital assets decreased \$1,170,804 as the result of depreciation exceeding net project activity and other capital asset purchases. It is the Authority’s practice for capital projects with land acquisitions to be recorded in the CIP accounts and closed to land upon project completion. Details of changes in capital assets and construction in progress for the fiscal year ended June 30, 2025 follows on the next page.

**CHARLOTTEVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 6 – CHANGES IN CAPITAL ASSETS AND CONSTRUCTION IN PROGRESS: (CONTINUED)**

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets not depreciated:				
Land	\$ 20,034,631	\$ -	\$ -	\$ 20,034,631
Construction in progress:				
Terminal Area Plan	\$ 636,134	\$ 241,607	\$ -	\$ 877,741
AF Lighting and Signage Design	4,496,796	-	-	4,496,796
800 MHz Radio	328,996	9,093	-	338,089
Big Terminal Fans	33,405	-	-	33,405
ARFF Building Renovation	59,131	416,358	-	475,489
Basin C	130,599	587,206	-	717,805
Baggage Belt Replacement	406,967	1,005,620	-	1,412,587
Mechanical System Update	148,743	595,702	-	744,445
AF RW/TW Pavement	40,721	148,090	-	188,811
Security System Update	102,448	80,728	-	183,176
Terminal Expansion Improvement	241,842	16,377	-	258,219
Network Refresh	290,073	118,487	-	408,560
Microsoft Teams	52,503	81,737	-	134,240
Safety Management System (SMS)	-	59,550	-	59,550
Tower Relocation	-	6,910	-	6,910
Server Room	19,099	12,732	-	31,831
Apron Pavement Repairs	11,679	282,897	-	294,576
Airline Ticket Counters	71,945	-	-	71,945
SRE Improvements	118,682	-	118,682	-
Total construction in progress	\$ 7,189,763	\$ 3,663,094	\$ 118,682	\$ 10,734,175
Total capital assets not depreciated	\$ 27,224,394	\$ 3,663,094	\$ 118,682	\$ 30,768,806
Capital and other assets depreciated:				
Buildings	\$ 39,871,034	\$ 118,682	\$ -	\$ 39,989,716
Improvements other than buildings	100,985,035	-	-	100,985,035
Machinery & equipment	12,734,629	225,578	-	12,960,207
Infrastructure	22,674,178	20,643	-	22,694,821
Subscription asset	231,180	-	60,591	170,589
Intangibles	1,157,751	43,360	-	1,201,111
Total capital and other assets depreciated	\$ 177,653,807	\$ 408,263	\$ 60,591	\$ 178,001,479
Less accumulated depreciation for:				
Buildings	\$ 26,009,610	\$ 1,090,835	\$ -	\$ 27,100,445
Improvements other than buildings	46,007,087	2,624,786	-	48,631,873
Machinery & equipment	8,292,487	570,975	-	8,863,462
Infrastructure	9,408,491	786,176	-	10,194,667
Subscription asset	73,385	34,118	60,591	46,912
Intangibles	1,146,231	16,589	-	1,162,820
Total accumulated depreciation	\$ 90,937,291	\$ 5,123,479	\$ 60,591	\$ 96,000,179
Total net capital assets depreciated	\$ 86,716,516	\$ (4,715,216)	\$ -	\$ 82,001,300
Net Capital Assets	\$ 113,940,910	\$ (1,052,122)	\$ 118,682	\$ 112,770,106

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 7 – LONG-TERM OBLIGATIONS:**

The following is a summary of long-term obligation transactions for the year ended June 30, 2025:

	Beginning Balance	Restatement	Beginning Balance, as Restated	Additions	Reductions	Ending Balance
Direct Borrowings and Placements:						
Revenue Bonds	\$ 1,646,293	\$ -	\$ 1,646,293	\$ -	\$ (373,021)	\$ 1,273,272
Compensated Absences	231,707	83,655	315,362	29,898	-	345,260
Net Pension Liability	2,449,980	-	2,449,980	1,066,137	(1,143,085)	2,373,032
Net OPEB Liability	159,269	-	159,269	72,810	(98,168)	133,911
Subscription liability	170,589	-	170,589	-	(34,178)	136,411
Total	\$ 4,657,838	\$ 83,655	\$ 4,741,493	\$ 1,168,845	\$ (1,648,452)	\$ 4,261,886

At June 30, 2025, the Authority's long-term obligations consisted of the following:

	Total	Current
Direct Borrowings and Placements:		
\$1,612,000 Airport Revenue Bond dated October 30, 2014, interest rate of 1.570% principal payable semi-annually in various incremental amounts, ranging from \$79,004 due on July 1, 2016 to \$90,944 due in 2025	\$ 90,861	\$ 90,861
\$1,949,031 Airport Revenue Bond for construction of a parking lot expansion dated June 3, 2021, interest rate of 0.56% and principal payable semi-annually in various incremental amounts, ranging from \$94,945 due on December 1, 2021 to \$99,998 in 2031	1,182,411	194,334
Total Revenue Bonds (Direct Borrowings and Placements)	\$ 1,273,272	\$ 285,195
Compensated Absences	\$ 345,260	\$ 34,526
Net Pension Liability	\$ 2,373,032	\$ -
Net OPEB Liability	\$ 133,911	\$ -
Subscription liability:		
Body camera, taser and police records software with annual payments of \$34,178 through February 2028, with a discount rate of 1.065%.	\$ 136,411	\$ 34,057
Total long-term obligations	\$ 4,261,886	\$ 353,778

Default Provisions and Acceleration Clauses

Each of the following events shall be an Event of Default:

- a) Default by the Authority in the payment when due of any interest on any Bond;
- b) Default by the Authority in the payment when due of the principal or the purchase price of or premium, if any, on any Bond (whether at maturity, by acceleration, call for redemption or otherwise);

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 7 – LONG-TERM OBLIGATIONS: (CONTINUED)**

Default Provisions and Acceleration Clauses: (Continued)

- c) Failure of the Authority to observe and perform any of its other covenants, conditions or agreements under this Indenture or in the Bonds for a period of thirty days after notice, either from the Trustee to the Authority or the Bondholders of twenty-five percent in aggregate principal amount of Bonds then Outstanding to the Trustee and the Authority (unless the Trustee shall agree in writing to an extension of such time before its expiration), specifying such failure and requesting that it be remedied, or in the case of any such default that cannot with due diligence be cured within such thirty day period, failure of the Authority to proceed promptly to cure the default and thereafter prosecute the curing of such default with due diligence;
- d) Abandonment of the Airport by the Authority; and
- e) Destruction or damage to or condemnation of or loss of title to any substantial part of the Airport to the extent of impairing its efficient operation or adversely affecting to a substantial degree its revenues and for any reason the Airport shall not be promptly repaired, replaced or reconstructed (whether such failure promptly to repair, replace or reconstruct the Airport be due to the impracticability of such repair, replacement or reconstruction or to lack of funds for such purpose or for any other reason).

Except as may be otherwise provided pursuant to Supplemental Indenture, upon the occurrence and continuation of an Event of Default, the Trustee may, and if requested by the Bondholders of twenty-five percent in aggregate principal amount of Bonds then Outstanding shall, by notice to the Authority, declare the entire unpaid principal of and premium, if any, and interest on the Bonds due and payable and, thereupon, the entire unpaid principal of and premium, if any, and interest on the Bonds shall forthwith become due and payable. Upon any such declaration the Authority shall forthwith pay to the Bondholders the entire unpaid principal of and premium, if any, and accrued interest on the Bonds, but such covenant may be enforced only against the Revenues specifically pledged for such purpose.

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

Year Ended June 30	Direct Borrowings and Placements							
	Series 2014 \$1,612,000 Issue		Series 2021 \$1,949,031 Issue		Total Debt Summary \$3,561,031		Subscription Liability	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 90,861	\$ 716	\$ 194,334	\$ 6,350	\$ 285,195	\$ 7,066	\$ 34,057	\$ 121
2027	-	-	195,424	5,260	195,424	5,260	34,088	91
2028	-	-	196,520	4,164	196,520	4,164	34,118	61
2029	-	-	197,622	3,062	197,622	3,062	34,148	30
2030	-	-	198,730	1,954	198,730	1,954	-	-
2031	-	-	199,781	839	199,781	839	-	-
Total	\$ 90,861	\$ 716	\$ 1,182,411	\$ 21,629	\$ 1,273,272	\$ 22,345	\$ 136,411	\$ 303
Less current portion	<u>90,861</u>		<u>194,334</u>		<u>285,195</u>		<u>34,057</u>	
Total long-term obligations	<u>\$ -</u>		<u>\$ 988,077</u>		<u>\$ 988,077</u>		<u>\$ 102,354</u>	

Federal Arbitrage Regulations

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

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 7 – LONG-TERM OBLIGATIONS: (CONTINUED)**

#### 800 MHz Upgrade

The Authority shares an 800MHz radio system with Albemarle County, the City of Charlottesville, the University of Virginia, and other smaller entities. The system is currently undergoing an upgrade with costs to be shared among all parties. The Authority's share of these costs is estimated at \$345,600. Costs are being paid as incurred and have totaled approximately \$338,089 to date.

### **NOTE 8 – LEASES RECEIVABLE:**

The Authority's leasing operations consist of the leasing of office and terminal space to airlines and other tenants. All leases are subject to public procurement requirements, and each has a different mechanism for determining rates and charges. Each year, lease payments are set to sufficiently fund expenses in the adopted operating budget, including debt service expense and the revenue covenant coverage expense.

The cost of some leased space is not determinable because the leased portions of assets are not significant to the total square footage of the facility. Significant lease agreements are described below.

On April 1, 2015, the Authority entered into a lease with Piedmont Hawthorne Aviation, LLC d/b/a Landmark Aviation for approximately 649,602 square feet of space to be used to operate a general fixed-base operation (FBO). The term of the lease is for a period of 25 years commencing April 1, 2015 and expiring at March 31, 2040 unless earlier terminated or cancelled, pursuant to the provisions of the lease. Provided the lessee is not in default under the agreement at the time of exercise and has spent at least \$500,000 in facility improvements, the lessee shall have two options to extend the term for 5 years each. Annual rental payments are to be paid monthly with scheduled annual increases of 1.5% and two other scheduled increases when capital improvements are made and titles revert to the Authority. In addition, the lessee shall pay additional fees including fuel flowage fees, landing fees, and other fees as outlined in the agreement. The carrying value of the space leased is not determinable.

Amendment #1 to this lease agreement became effective August 1, 2019. The amendment modified the leased area to reflect operational changes by both parties. Overall, the square footage of space was adjusted along with the rent payment schedule to reflect those changes, but the overall term and other fees remained the same. The amendment also updated that Piedmont Hawthorne Aviation, LLC is d/b/a Signature Flight Support.

On April 29, 2015, the Authority entered into a restaurant/retail/vending concession agreement with Tailwind for a term of 10 years commencing May 1, 2015 and continuing through April 30, 2025. The concessionaire shall make monthly payments to the Authority for a percentage of gross receipts from food/beverages, alcoholic beverages, retail sales and vending sales based on a tiered system with a minimum annual guarantee (MAG) of \$50,000. In year 2 and each subsequent year, the MAG is an amount equal to 85% of the previous year's actual rent paid, or \$50,000, whichever is greater. As part of the agreement, the Authority contributed \$125,000 toward the Concessionaire's initial capital investment cost in the form of a Concession Fee Credit. This credit was applied to monthly payments due from Concessionaire beginning with the month in which Concessionaire assumed operation of the concessions, not to exceed \$25,000 annually. The credit was applied as a pro-rated monthly credit against amounts payable during the first five years following the commencement date. In addition, the Authority shall charge the market rate for any storage or office space leased to the Concessionaire by the Authority. Tailwind began operations in August 2015. The contract allowed for a single five (5) year renewal term upon the mutual agreement of both parties. Both parties have agreed and the new termination date is April 30, 2030.

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 8 – LEASES RECEIVABLE: (CONTINUED)**

On February 1, 2023, the Authority entered into lease agreements with Avis Budget Car Rental, LLC, Enterprise Leasing Co of Norfolk/Richmond LLC, and The Hertz Corporation. The leases are for a single five-year term. The rental car companies lease counter and office space inside the terminal building, ready return parking lot spaces, and wash and service bays at the Quick Turnaround location. Each rental car company proposed yearly minimum annual guarantees. If operations continue throughout the lease period, the Authority is guaranteed to receive \$1M to \$1.1M annually.

Expected future payments, which are included in the measurement of the lessor activity at June 30, 2025 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,473,493	\$ 81,325	\$ 1,554,818
2027	1,488,422	65,563	1,553,985
2028	1,051,943	50,436	1,102,379
2029	426,448	43,682	470,130
2030	416,782	39,140	455,922
2031-2035	1,763,506	136,922	1,900,428
2036-2040	1,689,904	43,854	1,733,758
Total	\$ <u>8,310,498</u>	\$ <u>460,922</u>	\$ <u>8,771,420</u>

For the year ended June 30, 2025, the Authority recognized \$40,827 of interest income.

### **NOTE 9 – COMPENSATED ABSENCES:**

The Authority has accrued the liability arising from compensated absences. The liability for future vacation and sick leave benefits is accrued when such benefits meet the following conditions:

- The employers' obligation is attributable to employee's service already rendered.
- The obligation is related to rights that vest or accumulate.
- The payment of compensation is probable.
- The amount can be reasonably estimated.

Authority employees earn annual leave at rates determined by length of service. Sick leave is earned at the rate of eight hours per month. No benefits or pay are received for unused sick leave upon termination. Accumulated annual leave and earned compensation is paid upon termination. The Authority has outstanding accrued annual leave and sick leave pay totaling \$345,260 as of June 30, 2025. Of this amount, 10 percent or \$34,526 has been estimated as a current liability.

### **NOTE 10 – PENSION PLAN:**

#### ***Plan Description***

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

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 10 – PENSION PLAN: (CONTINUED)**

#### ***Benefit Structures***

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

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

#### ***Average Final Compensation and Service Retirement Multiplier***

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

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 10 – PENSION PLAN: (CONTINUED)**

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

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

***Employees Covered by Benefit Terms***

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	20
Inactive members:	
Vested inactive members	6
Non-vested Inactive members	21
Inactive members active elsewhere in VRS	<u>10</u>
Total inactive members	37
Active members	<u>48</u>
Total covered employees	<u><u>105</u></u>

***Contributions***

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

The Authority’s contractually required employer contribution rate for the year ended June 30, 2025 was 11.03% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$361,933 and \$295,236 for the years ended June 30, 2025 and June 30, 2024, respectively.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 10 – PENSION PLAN: (CONTINUED)**

***Contributions: (Continued)***

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$32,814 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$35,786 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,431,422 for the year ended June 30, 2025.

***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For the Authority, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

***Actuarial Assumptions – General Employees***

The total pension liability for General Employees in the Authority’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

**Mortality 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

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 10 – PENSION PLAN: (CONTINUED)**

***Actuarial Assumptions – General Employees: (Continued)***

Mortality rates: (Continued)

Beneficiaries and Survivors:

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

Mortality Improvement:

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

***Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits***

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Authority’s Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 10 – PENSION PLAN: (CONTINUED)**

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

**CHARLOTTEVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 10 – PENSION PLAN: (CONTINUED)**

***Long-term Expected Rate of Return***

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

<b>Asset Class (Strategy)</b>	<b>Long-term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		**Expected arithmetic nominal return	7.07%

\* The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, 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%.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 10 – PENSION PLAN: (CONTINUED)**

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in Net Pension Liability***

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2023	\$ 9,726,645	\$ 7,276,665	\$ 2,449,980
Changes for the year:			
Service cost	\$ 300,938	\$ -	\$ 300,938
Interest	660,499	-	660,499
Differences between expected and actual experience	100,166	-	100,166
Contributions - employer	-	295,236	(295,236)
Contributions - employee	-	140,117	(140,117)
Net investment income	-	707,580	(707,580)
Benefit payments, including refunds of employees contributions	(484,820)	(484,820)	-
Administrative expenses	-	(4,534)	4,534
Other changes	-	152	(152)
Net changes	\$ 576,783	\$ 653,731	\$ (76,948)
Balances at June 30, 2024	\$ 10,303,428	\$ 7,930,396	\$ 2,373,032

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 10 – PENSION PLAN: (CONTINUED)**

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

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

	<b>Rate</b>		
	<b>1%</b>	<b>Current</b>	<b>1%</b>
	<b>Decrease</b>	<b>Discount</b>	<b>Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
Authority's Net Pension Liability	\$ 3,732,668	\$ 2,373,032	\$ 1,251,732

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

For the year ended June 30, 2025, the Authority recognized pension expense of \$659,159. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 459,270	\$ 202
Change of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	202,889
Employer contributions subsequent to the measurement date	361,933	-
<b>Total</b>	<b>\$ 821,203</b>	<b>\$ 203,091</b>

\$361,933 was reported as deferred outflows of resources related to pensions resulting from the Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<b>Year ended June 30</b>	
2026	\$ 128,929
2027	201,509
2028	(30,613)
2029	(43,646)
Thereafter	-

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 10 – PENSION PLAN: (CONTINUED)**

#### ***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

### **NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS:**

#### **Group Life Insurance (GLI) Plan (OPEB Plan):**

##### ***Plan Description***

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional 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 plan, it is not included as part of the GLI Plan OPEB.

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

##### ***Eligible Employees***

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

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

### **NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

#### **Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

##### ***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

##### ***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% x 60%) and the employer component was 0.47% (1.18% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$15,422 and \$16,635 for the years ended June 30, 2025 and June 30, 2024, respectively.

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

At June 30, 2025, the entity reported a liability of \$133,911 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion was .01200% as compared to .01328% at June 30, 2023.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$16,636. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,121	\$ 3,271
Net difference between projected and actual earnings on GLI OPEB program investments	-	11,287
Change in assumptions	763	6,636
Changes in proportionate share	15,496	15,334
Employer contributions subsequent to the measurement date	<u>15,422</u>	<u>-</u>
Total	<u>\$ 52,802</u>	<u>\$ 36,528</u>

\$15,422 was reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

**Year Ended June 30**

2026	\$	(2,437)
2027		2,458
2028		768
2029		298
2030		(235)
Thereafter		-

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions (Continued)***

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

**Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions (Continued)***

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

***NET GLI OPEB Liability***

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
		<hr/>
Total GLI OPEB Liability	\$	4,196,055
Plan Fiduciary Net Position		3,080,133
GLI Net OPEB Liability (Asset)	\$	<u><u>1,115,922</u></u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		73.41%

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

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Long-Term Expected Rate of Return***

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

<b>Asset Class (Strategy)</b>	<b>Long-term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnerships	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	100.00%		7.07%
		**Expected arithmetic nominal return	7.07%

\*The above allocation provides a one-year expected return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, 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 45<sup>th</sup> 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%.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
Authority's proportionate share of the GLI Program Net OPEB Liability	\$ 208,248	\$ 133,911	\$ 73,855

***GLI Plan Fiduciary Net Position***

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2024-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Line of Duty Act (LODA)**

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The Authority has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the Authority to Virginia Risk Sharing Association (VRSA). VRSA assumes all liability for the Authority’s LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**

**Line of Duty Act (LODA): (Continued)**

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The Authority’s LODA coverage is fully covered or “insured” through VRSA. This is built into the LODA coverage cost presented in the annual renewals. The Authority’s LODA premium for the year ended June 30, 2025 was \$14,845.

**NOTE 12 – RISK MANAGEMENT:**

The Authority is exposed to various risks of loss related to torts, damage to property, injuries to employees, destruction of assets and natural disasters. These risks are covered by commercial insurance purchased through independent third parties. There were no settlements in excess of insurance coverage for the previous three years.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES:**

Federal programs in which the Authority participates were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the provisions of the regulations major programs were tested for compliance with applicable grant requirements. In addition to matters of noncompliance disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests which may result in other disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures would be immaterial.

At June 30, 2025, the Authority had two major projects in the construction phase, which are presented in the financial statements as Construction in Progress. Presented is the project, contract amount, expenditures to date and balance of the contract remaining:

	<b>Contract Amounts</b>	<b>Expenditures To Date</b>	<b>Balance of Contracts</b>
Airfield Lighting and Signage-Austin Electric	\$ 3,846,725	\$ 3,750,115	\$ 96,610
Airfield Lighting and Signage-Delta Airport Consultants	495,000	456,614	38,386
Total	\$ 4,341,725	\$ 4,206,729	\$ 134,996

**NOTE 14 – LITIGATION:**

At June 30, 2025, there were no matters of litigation involving the Authority which would materially affect the Authority’s financial position should any court decisions on pending matters not be favorable to the Authority.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Notes to Financial Statements  
At June 30, 2025 (Continued)

---

**NOTE 15 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT:**

During the current year, the Authority implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Authority now recognizes as estimated amount of leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences.

The change in accounting principle resulted in the following restatement of net position:

	<b>Net Position</b>
Balance as reported July 1, 2024	\$ 141,595,848
Implementation of GASB 101	<u>(83,655)</u>
Balance as restated July 1, 2024	<u>\$ 141,512,193</u>

**NOTE 16 – UPCOMING PRONOUNCEMENTS:**

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

*Statement No. 104, Disclosure of Certain Capital Assets*, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, *Implementation Guidance Update—2025*, effective for fiscal years beginning after June 15, 2025.

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

## REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Changes in Net Pension Liability and Related Ratios  
For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Total pension liability</b>					
Service cost	\$ 300,938	\$ 308,518	\$ 261,995	\$ 246,036	\$ 232,076
Interest	660,499	569,427	538,671	460,016	421,647
Assumption changes	-	-	-	241,931	-
Differences between expected and actual experience	100,166	929,286	(1,492)	316,170	268,944
Benefit payments	(484,820)	(416,052)	(364,053)	(357,711)	(350,762)
<b>Net change in total pension liability</b>	<u>\$ 576,783</u>	<u>\$ 1,391,179</u>	<u>\$ 435,121</u>	<u>\$ 906,442</u>	<u>\$ 571,905</u>
<b>Total pension liability - beginning</b>	<u>9,726,645</u>	<u>8,335,466</u>	<u>7,900,345</u>	<u>6,993,903</u>	<u>6,421,998</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 10,303,428</u>	<u>\$ 9,726,645</u>	<u>\$ 8,335,466</u>	<u>\$ 7,900,345</u>	<u>\$ 6,993,903</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 295,236	\$ 307,710	\$ 222,879	\$ 200,442	\$ 196,788
Contributions - employee	140,117	143,979	127,354	114,033	118,429
Net investment income	707,580	447,111	(9,039)	1,480,593	102,996
Benefit payments	(484,820)	(416,052)	(364,053)	(357,711)	(350,762)
Administrator charges	(4,534)	(4,328)	(4,221)	(3,624)	(3,456)
Other	152	181	160	140	(122)
<b>Net change in plan fiduciary net position</b>	<u>\$ 653,731</u>	<u>\$ 478,601</u>	<u>\$ (26,920)</u>	<u>\$ 1,433,873</u>	<u>\$ 63,873</u>
<b>Plan fiduciary net position - beginning</b>	<u>7,276,665</u>	<u>6,798,064</u>	<u>6,824,984</u>	<u>5,391,111</u>	<u>5,327,238</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 7,930,396</u>	<u>\$ 7,276,665</u>	<u>\$ 6,798,064</u>	<u>\$ 6,824,984</u>	<u>\$ 5,391,111</u>
<b>Authority's net pension liability - ending (a) - (b)</b>	\$ 2,373,032	\$ 2,449,980	\$ 1,537,402	\$ 1,075,361	\$ 1,602,792
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	76.97%	74.81%	81.56%	86.39%	77.08%
<b>Covered payroll</b>	\$ 3,080,534	\$ 3,128,512	\$ 2,733,831	\$ 2,461,878	\$ 2,547,850
<b>Authority's net pension liability as a percentage of covered payroll</b>	77.03%	78.31%	56.24%	43.68%	62.91%

Schedule of Changes in Net Pension Liability and Related Ratios  
For the Measurement Dates of June 30, 2015 through June 30, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>					
Service cost	\$ 159,646	\$ 135,013	\$ 160,685	\$ 145,571	\$ 134,497
Interest	402,288	379,448	358,917	348,038	328,487
Assumption changes	197,101	-	(147,508)	-	-
Differences between expected and actual experience	49,552	64,179	255,968	(40,416)	(13,370)
Benefit payments	(267,113)	(237,594)	(431,927)	(163,556)	(176,953)
<b>Net change in total pension liability</b>	<u>\$ 541,474</u>	<u>\$ 341,046</u>	<u>\$ 196,135</u>	<u>\$ 289,637</u>	<u>\$ 272,661</u>
<b>Total pension liability - beginning</b>	<u>5,880,524</u>	<u>5,539,478</u>	<u>5,343,343</u>	<u>5,053,706</u>	<u>4,781,045</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 6,421,998</u>	<u>\$ 5,880,524</u>	<u>\$ 5,539,478</u>	<u>\$ 5,343,343</u>	<u>\$ 5,053,706</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 172,737	\$ 125,053	\$ 124,216	\$ 149,543	\$ 137,753
Contributions - employee	102,807	87,651	83,490	81,830	75,656
Net investment income	336,663	345,801	531,385	78,062	184,002
Benefit payments	(267,113)	(237,594)	(431,927)	(163,556)	(176,953)
Administrator charges	(3,222)	(2,948)	(3,254)	(2,565)	(2,456)
Other	(213)	(309)	(456)	(32)	(40)
<b>Net change in plan fiduciary net position</b>	<u>\$ 341,659</u>	<u>\$ 317,654</u>	<u>\$ 303,454</u>	<u>\$ 143,282</u>	<u>\$ 217,962</u>
<b>Plan fiduciary net position - beginning</b>	<u>4,985,579</u>	<u>4,667,925</u>	<u>4,364,471</u>	<u>4,221,189</u>	<u>4,003,227</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 5,327,238</u>	<u>\$ 4,985,579</u>	<u>\$ 4,667,925</u>	<u>\$ 4,364,471</u>	<u>\$ 4,221,189</u>
<b>Authority's net pension liability - ending (a) - (b)</b>	\$ 1,094,760	\$ 894,945	\$ 871,553	\$ 978,872	\$ 832,517
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	82.95%	84.78%	84.27%	81.68%	83.53%
<b>Covered payroll</b>	\$ 2,195,854	\$ 1,846,088	\$ 1,709,207	\$ 1,668,303	\$ 1,529,547
<b>Authority's net pension liability as a percentage of covered payroll</b>	49.86%	48.48%	50.99%	58.67%	54.43%

Schedule of Employer Contributions - VRS Pension Plan  
 Years Ended June 30, 2016 through June 30, 2025

<u>Date</u>	<u>Contractually Required Contribution (1)*</u>	<u>Contributions in Relation to Contractually Required Contribution (2)*</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2025	\$ 361,933	\$ 361,933	\$ -	\$ 3,281,351	11.03%
2024	295,236	295,236	-	3,080,534	9.58%
2023	307,719	307,719	-	3,128,512	9.84%
2022	222,879	222,879	-	2,733,831	8.15%
2021	200,443	200,443	-	2,461,878	8.14%
2020	196,823	196,823	-	2,547,850	7.73%
2019	172,737	172,737	-	2,195,854	7.87%
2018	125,053	125,053	-	1,846,088	6.77%
2017	121,699	121,699	-	1,709,207	7.12%
2016	151,148	151,148	-	1,668,303	9.06%

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

Notes to Required Supplementary Information - VRS Pension Plan  
 Year Ended June 30, 2025

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

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

Schedule of Authority's Share of Net OPEB Liability  
 VRS Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2024

<b>Date (1)</b>	<b>Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)</b>
2024	0.01200% \$	133,911 \$	3,080,534	4.35%	73.41%
2023	0.01328%	159,269	3,128,512	5.09%	69.30%
2022	0.01260%	151,355	2,733,831	5.54%	67.21%
2021	0.01190%	138,782	2,461,878	5.64%	67.45%
2020	0.01240%	206,602	2,547,850	8.11%	52.64%
2019	0.01120%	182,254	2,195,854	8.30%	52.00%
2018	0.00971%	147,000	1,846,088	7.96%	51.22%
2017	0.00927%	140,000	1,709,562	8.19%	48.86%

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

Schedule of Employer Contributions  
 VRS Group Life Insurance (GLI) Plan  
 Years Ended June 30, 2016 through June 30, 2025

<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contribution (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Contributions as a % of Covered Payroll (5)</b>
2025	\$ 15,422	\$ 15,422	\$ -	\$ 3,281,351	0.47%
2024	16,635	16,635	-	3,080,534	0.54%
2023	16,894	16,894	-	3,128,512	0.54%
2022	14,763	14,763	-	2,733,831	0.54%
2021	13,308	13,308	-	2,461,878	0.54%
2020	13,224	13,224	-	2,547,850	0.52%
2019	11,419	11,419	-	2,195,854	0.52%
2018	9,600	9,600	-	1,846,088	0.52%
2017	8,890	8,890	-	1,709,562	0.52%
2016	8,008	8,008	-	1,668,303	0.48%

Notes to Required Supplementary Information  
 VRS Group Life Insurance (GLI) Plan  
 Year Ended June 30, 2025

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

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

## OTHER SUPPLEMENTARY INFORMATION



**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
 Schedule of Administrative Expenses - Allocated  
 Year Ended June 30, 2025

	<u>Terminal</u>	<u>Parking</u>	<u>Total</u>
Administrative Expenses:			
Payroll	\$ 500,448	\$ 88,314	\$ 588,762
Dues and subscriptions	20,191	3,563	23,754
Education	2,553	451	3,004
Travel	36,797	6,494	43,291
Advertising promotion	362,785	64,021	426,806
Professional fees	89,904	15,865	105,769
Human Resource	18,050	3,185	21,235
Insurance	50,150	8,850	59,000
Office expense	38,237	6,748	44,985
Computer	215,783	38,079	253,862
Equipment lease	3,605	715	4,241
Utilities-phone	11,013	1,944	12,957
Storage facilities	1,998	353	2,350
	<u>1,351,514</u>	<u>238,582</u>	<u>1,590,016</u>
Total	\$ <u>1,351,514</u>	\$ <u>238,582</u>	\$ <u>1,590,016</u>

## STATISTICAL SECTION



**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
**Statistical Section**

<u>Contents</u>	<u>Pages</u>
<b>Financial Trends</b>	
These tables contain trend information to help the reader understand how the Airport Authority's financial performance and well-being have changed over time.	
Table 1	Total Annual Revenues, Expenses and Changes in Net Position
Table 2	Changes in Cash and Cash Equivalents
81-82	83-84
<b>Revenue Capacity</b>	
These tables contain information to help the reader understand the role passengers and airlines play in generating the Airport Authority's revenue.	
Table 3	Principal Revenue Sources, Cost per Enplaned Passenger and Scheduled Airline Rates and Charges
Table 4	Parking Rates per Lot
85-86	87
<b>Debt Capacity</b>	
These tables present information to help the reader assess the Airport Authority's revenue and expense ratios to better evaluate the affordability of present and future debt.	
Table 5	Revenue Bond Debt Service Coverage
Table 6	Ratios of Outstanding Debt Service by Type
88-89	90
<b>Operating Information</b>	
These tables contain information about the Airport Authority's operations to help the reader understand how the Airport's financial information relates to the services the Airport provides and the activities it performs.	
Table 7	Airline Landed Weights
Table 8	Enplaned Passengers
Table 9	Aircraft Operations Summary
Table 10	Top 50 Origin Destination Markets
Table 11	Airport Information
91	92
93	94
95	95
<b>Demographic and Economic Information</b>	
These tables offer demographic and economic indicators to help the reader understand the environment within which the Airport Authority's financial activities take place and to help make comparisons over time and with other governments.	
Table 12	Population in the Primary Trade Area, Unemployment Rate, Total Personal Income and Per Capita Income
Table 13	Principal Employers in the Primary Air Trade Area
96-97	98

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Total Annual Revenues, Expenses and Changes in Net Position  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenues					
Airfield	\$ 2,677,055	\$ 2,307,072	\$ 1,787,446	\$ 1,565,612	\$ 1,295,744
Terminal	3,945,818	3,692,666	2,463,271	2,161,802	1,436,837
Parking	4,790,812	4,296,437	3,571,752	3,129,817	1,414,966
Total operating revenues	<u>\$ 11,413,685</u>	<u>\$ 10,296,175</u>	<u>\$ 7,822,469</u>	<u>\$ 6,857,231</u>	<u>\$ 4,147,547</u>
Nonoperating revenues					
Interest Income	\$ 671,284	\$ 595,887	\$ 76,961	\$ 20,990	\$ 11,460
Other income	-	-	50,330	5,300	45,281
COVID and state grants	-	101,664	309,835	5,057,854	5,804,271
State entitlement reimbursements	-	-	-	-	-
Total nonoperating revenues	<u>\$ 671,284</u>	<u>\$ 697,551</u>	<u>\$ 437,126</u>	<u>\$ 5,084,144</u>	<u>\$ 5,861,012</u>
<b>Total Revenues</b>	<u>\$ 12,084,969</u>	<u>\$ 10,993,726</u>	<u>\$ 8,259,595</u>	<u>\$ 11,941,375</u>	<u>\$ 10,008,559</u>
Operating expenses					
Operations	\$ 7,304,869	\$ 6,947,592	\$ 6,403,186	\$ 5,344,514	\$ 4,701,220
Administrative	1,590,016	1,900,651	2,232,017	1,639,324	1,600,153
Depreciation & amortization	5,123,479	5,129,206	5,009,242	4,736,755	4,547,117
Total operating expenses	<u>\$ 14,018,364</u>	<u>\$ 13,977,449</u>	<u>\$ 13,644,445</u>	<u>\$ 11,720,593</u>	<u>\$ 10,848,490</u>
Nonoperating expenses					
Rental Car QTA expenses	\$ 210,258	\$ 183,980	\$ 165,943	\$ 149,962	\$ 132,842
Interest Expense	9,481	13,705	17,235	21,030	14,445
Airline Settlement	-	-	-	-	-
Other expenses	-	-	-	-	25,334
Total nonoperating expenses	<u>\$ 219,739</u>	<u>\$ 197,685</u>	<u>\$ 183,178</u>	<u>\$ 170,992</u>	<u>\$ 172,621</u>
<b>Total Expenses</b>	<u>\$ 14,238,103</u>	<u>\$ 14,175,134</u>	<u>\$ 13,827,623</u>	<u>\$ 11,891,585</u>	<u>\$ 11,021,111</u>
Capital Contributions	4,575,528	4,718,146	9,942,263	9,154,379	6,146,249
<b>Increase (Decrease) in Net Position</b>	<u>\$ 2,422,394</u>	<u>\$ 1,536,738</u>	<u>\$ 4,374,235</u>	<u>\$ 9,204,169</u>	<u>\$ 5,133,697</u>
<b>Net Position at Year-End</b>					
Net investment in capital assets	\$ 110,747,886	\$ 111,820,210	\$ 113,242,543	\$ 109,257,406	\$ 105,334,494
Restricted	20,024,078	18,100,950	16,329,602	13,843,605	12,287,335
Unrestricted	13,162,623	11,674,688	10,486,965	12,583,864	8,858,877
<b>Total Net Position</b>	<u>\$ 143,934,587</u>	<u>\$ 141,595,848</u>	<u>\$ 140,059,110</u>	<u>\$ 135,684,875</u>	<u>\$ 126,480,706</u>

Source: Authority's audited financial statements.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Total Annual Revenues, Expenses and Changes in Net Position  
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Operating revenues</b>					
Airfield	\$ 1,509,503	\$ 1,632,799	\$ 1,431,556	\$ 1,328,090	\$ 1,225,277
Terminal	2,186,106	2,602,240	2,242,281	2,100,201	1,736,106
Parking	3,388,989	4,584,850	4,344,293	3,380,734	3,124,311
Total operating revenues	\$ 7,084,598	\$ 8,819,889	\$ 8,018,130	\$ 6,809,025	\$ 6,085,694
<b>Nonoperating revenues</b>					
Interest Income	\$ 28,203	\$ 27,212	\$ 11,757	\$ 4,618	\$ 6,473
Other income	8,455	28,151	41,495	376,767	457,549
COVID and state grants	3,210,980	-	-	-	-
State entitlement reimbursements	-	190,000	285,000	50,000	50,000
Total nonoperating revenues	\$ 3,247,638	\$ 245,363	\$ 338,252	\$ 431,385	\$ 514,022
<b>Total Revenues</b>	\$ 10,332,236	\$ 9,065,252	\$ 8,356,382	\$ 7,240,410	\$ 6,599,716
<b>Operating expenses</b>					
Operations	\$ 5,475,834	\$ 4,835,264	\$ 3,761,085	\$ 3,651,359	\$ 3,426,074
Administrative	1,655,187	1,679,472	1,511,545	1,421,002	1,340,086
Depreciation & amortization	4,621,108	4,390,045	4,009,552	4,093,426	3,741,700
Total operating expenses	\$ 11,752,129	\$ 10,904,781	\$ 9,282,182	\$ 9,165,787	\$ 8,507,860
<b>Nonoperating expenses</b>					
Rental Car QTA expenses	\$ 157,018	\$ 147,576	\$ 139,384	\$ 141,409	\$ 142,076
Interest Expense	18,829	84,967	123,528	142,697	157,167
Airline Settlement	-	-	-	-	370,725
Other expenses	-	-	38,198	-	-
Total nonoperating expenses	\$ 175,847	\$ 232,543	\$ 301,110	\$ 284,106	\$ 669,968
<b>Total Expenses</b>	\$ 11,927,976	\$ 11,137,324	\$ 9,583,292	\$ 9,449,893	\$ 9,177,828
Capital Contributions	5,554,461	5,709,064	11,257,329	5,523,173	7,677,697
<b>Increase (Decrease) in Net Position</b>	\$ 3,958,721	\$ 3,636,992	\$ 10,030,419	\$ 3,313,690	\$ 5,099,585
<b>Net Position at Year-End</b>					
Net investment in capital assets	\$ 106,033,013	\$ 101,715,374	\$ 101,441,432	\$ 92,837,835	\$ 92,756,326
Restricted	11,635,927	12,910,019	11,061,212	10,787,497	8,396,399
Unrestricted	3,678,069	2,762,895	1,248,652	249,545	(591,538)
<b>Total Net Position</b>	\$ 121,347,009	\$ 117,388,288	\$ 113,751,296	\$ 103,874,877	\$ 100,561,187

Source: Authority's audited financial statements.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Changes in Cash and Cash Equivalents  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities					
Cash received from providing services	\$ 11,291,036	\$ 10,067,776	\$ 7,890,593	\$ 6,827,295	\$ 4,115,396
Cash paid to suppliers	(3,557,526)	(3,531,959)	(3,479,843)	(2,573,174)	(2,065,872)
Cash paid to and for employers	(5,360,183)	(4,998,960)	(5,133,614)	(4,642,763)	(3,870,419)
Net cash provided by (used for) operating activities	\$ 2,373,327	\$ 1,536,857	\$ (722,864)	\$ (388,642)	\$ (1,820,895)
Cash flows from noncapital financing activities					
COVID and state grants	\$ -	\$ 101,664	\$ 5,971,554	\$ 2,249,416	\$ 4,987,245
Net cash provided by (used for) noncapital financing activities	\$ -	\$ 101,664	\$ 5,971,554	\$ 2,249,416	\$ 4,987,245
Cash flows from investing activities					
Investment interest earned	\$ 671,284	\$ 595,887	\$ 76,961	\$ 20,990	\$ 11,460
Net cash provided by (used for) investing activities	\$ 671,284	\$ 595,887	\$ 76,961	\$ 20,990	\$ 11,460
Cash flows from capital and related financing activities					
Interest paid on debt	\$ (10,966)	\$ (10,825)	\$ (14,375)	\$ (17,344)	\$ (15,503)
Acquisition of property and equipment	(408,263)	(645,055)	(1,960,246)	(4,572,312)	(1,064,379)
Disposal of property and equipment	-	-	-	-	45,281
Additions to construction in progress	(3,235,693)	(2,832,943)	(6,703,459)	(2,990,844)	(6,882,951)
Long-term debt proceeds	-	-	-	-	1,949,031
Bridge Loans from VDOA	-	-	-	(734,882)	-
Debt service paid	(373,021)	(369,155)	(365,335)	(361,630)	(273,513)
Additions to subscription liability	-	170,589	60,591	-	-
Subscription liability payments made	(34,178)	(30,309)	(30,282)	-	-
Debt issuance costs	-	-	-	-	(25,334)
PFC debt service income	-	-	-	-	-
State debt service reimbursement	-	-	-	-	-
Airline Settlement	-	-	-	-	-
Contributions from Virginia Department of Aviation	2,096,089	1,905,358	1,936,851	2,372,289	1,729,111
Contributions from Federal Aviation Administration	-	1,185,670	6,207,440	4,329,243	4,408,222
Contributions from others	-	-	50,330	96,000	-
Contributions from Passenger Facility Charge (PFC)	1,670,228	1,378,782	1,000,500	1,145,798	473,580
Contributions from Customer Facility Charge (CFC)	945,359	810,728	615,948	599,222	434,607
Net cash provided by (used for) capital and related financing activities	\$ 649,555	\$ 1,562,840	\$ 797,963	\$ (134,460)	\$ 778,152
Increase (decrease) in cash and cash equivalents for the year	\$ 3,694,166	\$ 3,797,248	\$ 6,123,614	\$ 1,747,304	\$ 3,955,962
Cash and cash equivalents at beginning of year (including restricted accounts)	30,529,388	26,732,140	20,608,526	18,861,222	14,905,260
Cash and cash equivalents at end of year (including restricted accounts)	\$ 34,223,554	\$ 30,529,388	\$ 26,732,140	\$ 20,608,526	\$ 18,861,222

Source: Authority's Audited Financial Statements.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Changes in Cash and Cash Equivalents  
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities					
Cash received from providing services	\$ 7,202,496	\$ 8,749,246	\$ 7,971,550	\$ 6,754,607	\$ 6,065,731
Cash paid to suppliers	(3,392,416)	(2,810,362)	(2,365,219)	(2,379,061)	(2,238,401)
Cash paid to and for employers	(4,115,226)	(3,859,031)	(2,935,243)	(2,780,550)	(2,696,738)
Net cash provided by (used for) operating activities	\$ (305,146)	\$ 2,079,853	\$ 2,671,088	\$ 1,594,996	\$ 1,130,592
Cash flows from noncapital financing activities					
COVID and state grants	\$ 1,174,725	\$ -	\$ -	\$ -	\$ -
Net cash provided by (used for) noncapital financing activities	\$ 1,174,725	\$ -	\$ -	\$ -	\$ -
Cash flows from investing activities					
Investment interest earned	\$ 28,203	\$ 27,212	\$ 11,757	\$ 4,618	\$ 6,473
Net cash provided by (used for) investing activities	\$ 28,203	\$ 27,212	\$ 11,757	\$ 4,618	\$ 6,473
Cash flows from capital and related financing activities					
Interest paid on debt	\$ (23,953)	\$ (38,869)	\$ (62,040)	\$ (84,959)	\$ (98,031)
Acquisition of property and equipment	(850,144)	(483,401)	(2,880,955)	(290,925)	(1,160,107)
Disposal of property and equipment	54,544	17,744	41,495	6,042	39,628
Additions to construction in progress	(5,986,767)	(3,613,684)	(8,434,867)	(2,387,834)	(7,270,584)
Long-term debt proceeds	-	-	-	-	1,597,000
Bridge Loans from VDOA	-	-	-	(213,986)	-
Debt service paid	(400,234)	(887,733)	(964,678)	(941,759)	(753,798)
Additions to subscription liability	-	-	-	-	-
Subscription liability payments made	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
PFC debt service income	-	-	-	-	-
State debt service reimbursement	-	190,000	285,000	50,000	50,000
Airline Settlement	-	-	-	-	-
Contributions from Virginia Department of Aviation	1,975,630	1,520,259	1,793,100	1,970,047	4,859,195
Contributions from Federal Aviation Administration	842,548	2,044,880	7,301,556	1,333,083	1,200,443
Contributions from others	-	15,549	31,257	(25,257)	-
Contributions from Passenger Facility Charge (PFC)	1,398,879	1,556,540	1,443,029	1,294,736	1,189,674
Contributions from Customer Facility Charge (CFC)	744,838	878,695	728,135	663,024	628,164
Net cash provided by (used for) capital and related financing activities	\$ (2,244,659)	\$ 1,199,980	\$ (718,968)	\$ 1,372,212	\$ 281,584
Increase (decrease) in cash and cash equivalents for the year	\$ (1,346,877)	\$ 3,307,045	\$ 1,963,877	\$ 2,971,826	\$ 1,418,649
Cash and cash equivalents at beginning of year (including restricted accounts)	16,252,137	12,945,092	10,981,215	8,009,389	6,590,740
Cash and cash equivalents at end of year (including restricted accounts)	\$ 14,905,260	\$ 16,252,137	\$ 12,945,092	\$ 10,981,215	\$ 8,009,389

Source: Authority's Audited Financial Statements.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Principal Revenue Sources, Cost per Enplaned Passenger and  
Scheduled Airline Rates and Charges  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>PRINCIPAL REVENUE SOURCES</u></b>					
Airline revenues					
Landing Fees	\$ 1,518,329	\$ 1,297,234	\$ 705,229	\$ 669,870	\$ 420,380
Terminal Rents	1,558,784	1,440,835	526,542	500,722	260,328
Total airline revenues	\$ 3,077,113	\$ 2,738,069	\$ 1,231,771	\$ 1,170,592	\$ 680,708
Percentage of total revenues	25%	25%	15%	10%	7%
Nonairline revenues					
Parking	\$ 4,790,812	\$ 4,296,437	\$ 3,571,752	\$ 3,129,817	\$ 1,414,966
Rental Car	1,440,932	1,397,694	1,233,583	1,097,975	682,027
Other	2,104,828	1,863,975	1,785,363	1,509,343	1,369,846
Total nonairline revenues	\$ 8,336,572	\$ 7,558,106	\$ 6,590,698	\$ 5,737,135	\$ 3,466,839
Percentage of total revenues	69%	69%	80%	48%	35%
Nonoperating revenues					
Interest income	\$ 671,284	\$ 595,887	\$ 76,961	\$ 20,990	\$ 11,460
COVID and state grants	-	101,664	309,835	5,103,358	5,804,271
Other income	-	-	50,330	5,300	45,281
Total nonoperating revenues	\$ 671,284	\$ 697,551	\$ 437,126	\$ 5,129,648	\$ 5,861,012
Percentage of total revenues	6%	6%	5%	43%	59%
Total revenues	\$ <u>12,084,969</u>	\$ <u>10,993,726</u>	\$ <u>8,259,595</u>	\$ <u>12,037,375</u>	\$ <u>10,008,559</u>
Enplaned passengers (excluding charters)	361,571	330,418	275,002	261,826	135,632
Total revenue per enplaned passenger	\$ 33.42	\$ 33.27	\$ 30.03	\$ 45.97	\$ 73.79
Airline cost per enplaned passenger	\$ 8.51	\$ 8.29	\$ 4.48	\$ 4.47	\$ 5.02

**SIGNATORY AIRLINES RATES AND CHARGES**

Landing Fee (per 1,000 lbs MGLW)	\$ 3.70	\$ 3.39	\$ 2.07	\$ 2.07	\$ 2.07
Average Annual Terminal Rental Rate (per s. f.)	\$ 84.48	\$ 77.26	\$ 28.58	\$ 27.17	\$ 14.13

Source: Authority's audited financial statements and Authority's records.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Principal Revenue Sources, Cost per Enplaned Passenger and  
Scheduled Airline Rates and Charges  
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>PRINCIPAL REVENUE SOURCES</u></b>					
Airline revenues					
Landing Fees	\$ 786,695	\$ 946,998	\$ 837,861	\$ 743,007	\$ 575,993
Terminal Rents	520,927	705,306	704,663	689,730	448,984
Total airline revenues	\$ 1,307,622	\$ 1,652,304	\$ 1,542,524	\$ 1,432,737	\$ 1,024,977
Percentage of total revenues	13%	18%	18%	20%	16%
Nonairline revenues					
Parking	\$ 3,388,989	\$ 4,584,850	\$ 4,344,293	\$ 3,380,734	\$ 3,124,311
Rental Car	936,467	1,124,349	1,070,117	1,015,613	939,012
Other	1,451,520	1,458,386	1,061,196	979,942	997,394
Total nonairline revenues	\$ 5,776,976	\$ 7,167,585	\$ 6,475,606	\$ 5,376,289	\$ 5,060,717
Percentage of total revenues	56%	79%	77%	74%	77%
Nonoperating revenues					
Interest income	\$ 28,203	\$ 27,212	\$ 11,757	\$ 4,618	\$ 6,473
COVID and state grants	3,210,980	-	-	-	-
Other income	8,455	218,151	326,495	426,767	507,549
Total nonoperating revenues	\$ 3,247,638	\$ 245,363	\$ 338,252	\$ 431,385	\$ 514,022
Percentage of total revenues	31%	3%	4%	6%	8%
Total revenues	\$ <u>10,332,236</u>	\$ <u>9,065,252</u>	\$ <u>8,356,382</u>	\$ <u>7,240,411</u>	\$ <u>6,599,716</u>
Enplaned passengers (excluding charters)	282,282	378,441	348,922	315,099	286,030
Total revenue per enplaned passenger	\$ 36.60	\$ 23.95	\$ 23.95	\$ 22.98	\$ 23.07
Airline cost per enplaned passenger	\$ 4.63	\$ 4.37	\$ 4.42	\$ 4.55	\$ 3.58
<b><u>SIGNATORY AIRLINES RATES AND CHARGES</u></b>					
Landing Fee (per 1,000 lbs MGLW)	\$ 2.07	\$ 2.10	\$ 2.08	\$ 2.04	\$ 1.95
Average Annual Terminal Rental Rate (per s. f.)	\$ 28.27	\$ 40.78	\$ 40.75	\$ 39.91	\$ 23.35

Source: Authority's audited financial statements and Authority's records.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
 Parking Rates Per Lot  
 Last Ten Fiscal Years

	<u>2025</u>	<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>
Short Term	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 13	\$ 10	\$ 10
Long Term	13	13	13	13	13	13	13	13	10	10
Economy	9	9	9	9	9	9	9	9	8	8
Overflow	9	9	9	9	9	9	9	9	8	8

Source: Airport Authority Records

Note: Parking rates changed August 15, 2017

Note: The old employee lot became the overflow lot in FY 2016

**CHARLOTTEVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Revenue Bond Debt Service Coverage  
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
NET REVENUES					
Operating Revenues	\$ 11,413,685	\$ 10,296,175	\$ 7,822,469	\$ 6,857,231	\$ 4,147,547
Interest Income	671,284	595,887	76,961	20,990	11,460
Agency Reimbursements	-	-	-	-	-
Other Income***	-	101,664	360,165	5,060,154	5,849,552
Total Revenues	\$ 12,084,969	\$ 10,993,726	\$ 8,259,595	\$ 11,938,375	\$ 10,008,559
Less: Operating Expenses	\$ (8,894,885)	\$ (8,848,243)	\$ (8,635,203)	\$ (6,983,838)	\$ (6,301,373)
Federal Covid Relief Grant Funds	-	-	1,000,000	-	-
Adjusted Operating Expenses	\$ (8,894,885)	\$ (8,848,243)	\$ (7,635,203)	\$ (6,983,838)	\$ (6,301,373)
Net Revenues	\$ 3,190,084	\$ 2,145,483	\$ 624,392	\$ 4,954,537	\$ 3,707,186
Aggregate Debt Service**	\$ 373,021	\$ 369,155	\$ 365,335	\$ 361,630	\$ 215,346
Debt Service Coverage***	8.55	5.81	1.71	13.70	17.22

Source: Authority's audited financial statements

\*Portion of PFC Income allowed for debt coverage calculation

\*\*Net of CFC Debt

\*\*\* In FY20, FY21, and FY22, Federal Grant Funds were received which reimbursed the Airport for eligible operating and maintenance expenses as well as debt service payments. In FY23, \$1M of those funds received were used towards eligible operating and maintenance expenses.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**  
Revenue Bond Debt Service Coverage  
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>NET REVENUES</b>					
Operating Revenues	\$ 7,084,598	\$ 8,819,889	\$ 8,018,130	\$ 6,809,025	\$ 6,085,694
Interest Income	28,203	27,212	11,757	4,618	6,473
Agency Reimbursements	-	190,000	285,000	50,000	50,000
Other Income***	<u>3,219,435</u>	<u>28,151</u>	<u>41,495</u>	<u>6,042</u>	<u>39,628</u>
<b>Total Revenues</b>	<b>\$ 10,332,236</b>	<b>\$ 9,065,252</b>	<b>\$ 8,356,382</b>	<b>\$ 6,869,685</b>	<b>\$ 6,181,795</b>
<b>Less: Operating Expenses</b>	<b>\$ (7,131,021)</b>	<b>\$ (6,514,736)</b>	<b>\$ (5,272,629)</b>	<b>\$ (5,072,361)</b>	<b>\$ (4,766,160)</b>
Federal Covid Relief Grant Funds	-	-	-	-	-
<b>Adjusted Operating Expenses</b>	<b>\$ (7,131,021)</b>	<b>\$ (6,514,736)</b>	<b>\$ (5,272,629)</b>	<b>\$ (5,072,361)</b>	<b>\$ (4,766,160)</b>
<b>Net Revenues</b>	<b>\$ 3,201,215</b>	<b>\$ 2,550,516</b>	<b>\$ 3,083,753</b>	<b>\$ 1,797,324</b>	<b>\$ 1,415,635</b>
<b>Aggregate Debt Service**</b>	<b>\$ 247,375</b>	<b>\$ 749,485</b>	<b>\$ 849,907</b>	<b>\$ 849,907</b>	<b>\$ 673,249</b>
<b>Debt Service Coverage***</b>	<b>12.94</b>	<b>3.40</b>	<b>3.63</b>	<b>2.11</b>	<b>2.10</b>

Source: Authority's audited financial statements

\*Portion of PFC Income allowed for debt coverage calculation

\*\*Net of CFC Debt

\*\*\* In FY20, FY21, and FY22, Federal Grant Funds were received which reimbursed the Airport for eligible operating and maintenance expenses as well as debt service payments. In FY23, \$1M of those funds received were used towards eligible operating and maintenance expenses.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Ratios of Outstanding Debt Service by Type  
Last Ten Fiscal Years

	<b>Bonds</b>	<b>Subscription Liability</b>	<b>VDOA Bridge Loans</b>	<b>Total Outstanding Debt</b>	<b>(1) Less Bonds Series 2002 \$2,222,078</b>	<b>Net Operational Outstanding Debt</b>	<b>Debt Expense/ Operating Expense</b>	<b>(2) Percentage of Personal Income</b>	<b>(3) Debt Per Enplaned Passenger</b>
2016	\$ 4,261,299	\$ -	\$ 948,868	\$ 5,210,167	\$ 743,528	\$ 4,466,639	14%	2.53	18.22
2017	3,319,540	-	734,882	4,054,422	581,446	3,472,976	17%	3.42	12.87
2018	2,354,862	-	734,882	3,089,744	415,762	2,673,982	16%	4.91	8.86
2019	1,467,129	-	734,882	2,202,011	246,397	1,955,614	12%	7.14	5.82
2020	1,066,895	-	734,882	1,801,777	73,268	1,728,509	3%	8.91	6.38
2021	2,742,413	-	734,882	3,477,295	-	3,477,295	3%	4.62	25.64
2022	2,380,783	-	-	2,380,783	-	2,380,783	5%	9.00	9.09
2023	2,015,448	30,309	-	2,045,757	-	2,045,757	4%	unavailable	7.44
2024	1,646,293	170,589	-	1,816,882	-	1,816,882	4%	unavailable	5.50
2025	1,273,272	136,411	-	1,409,683	-	1,409,683	4%	unavailable	3.90

Source: Authority's audited financial statements and records

<sup>1</sup> Ratios of Outstanding Debt includes Series 2002 Rental Car Facility which is not part of Operations

<sup>2</sup> Calculated from table twelve total personal income combined for the region

<sup>3</sup> Calculated by taking total outstanding debt and divide by enplaned passengers

Table 7

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Airline Landed Weights  
 Last Ten Fiscal Years  
*(in thousands of pounds)*

<b>Scheduled Air Carriers</b>	<b>2025</b>	<b>% Total</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Avelo Airlines <sup>1</sup>	-	-	3,054	2,633	-	-	-	-	-	-	-
US Airways <sup>2</sup>	-	-	-	-	-	-	-	-	-	-	133,784
Delta Airlines	163,062	39.3%	155,706	146,347	109,699	56,761	117,203	136,055	106,677	83,132	69,637
United Express	112,642	27.2%	67,933	39,381	57,849	41,270	58,497	72,884	53,694	36,353	33,114
American Airlines	<u>139,150</u>	<u>33.5%</u>	<u>155,897</u>	<u>152,328</u>	<u>156,064</u>	<u>105,099</u>	<u>205,608</u>	<u>245,067</u>	<u>241,327</u>	<u>244,981</u>	<u>58,609</u>
<b>Total</b>	<b>414,854</b>		<b>382,590</b>	<b>340,689</b>	<b>323,612</b>	<b>203,130</b>	<b>381,308</b>	<b>454,006</b>	<b>401,698</b>	<b>364,466</b>	<b>295,144</b>

Percentage increase/decrease FY 2025/FY 2024: 8.4%

Source: Airport Authority Records

<sup>1</sup>Avelo Airlines began service in May 2023 and ended in September 2023

<sup>2</sup>US Airways merged with American Airlines in 2016

Table 8

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Enplaned Passengers  
Last Ten Fiscal Years

	<b>2025</b>	<i>% of Total</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Avelo Airlines <sup>1</sup>	-	-	2,023	2,216	-	-	-	-	-	-	-
Delta Airlines	133,745	37%	128,554	113,414	82,979	33,826	83,620	111,172	96,247	84,332	75,266
United Express	95,796	26%	62,147	33,030	49,629	25,097	42,056	60,370	46,608	31,761	30,533
American Airlines	<u>132,030</u>	37%	<u>137,694</u>	<u>126,342</u>	<u>129,218</u>	<u>76,709</u>	<u>156,606</u>	<u>206,899</u>	<u>206,067</u>	<u>199,006</u>	<u>180,231</u>
Total	361,571		330,418	275,002	261,826	135,632	282,282	378,441	348,922	315,099	286,030
% Incr/(Dec)	9%		20%	5%	93%	-52%	-25%	8%	11%	10%	9%

Source: Airport Authority records

<sup>1</sup>Avelo Airlines began in May 2023 and ended in September 2023

Table 9

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Aircraft Operations Summary

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Air Carrier</b>	<b>General Aviation</b>	<b>Military</b>	<b>Total</b>
2016	19,782	37,031	5,518	62,331
2017	23,143	39,371	6,344	68,858
2018	27,975	49,310	8,495	85,780
2019	30,980	57,666	8,935	97,581
2020	27,152	61,253	10,717	99,122
2021	24,526	75,459	12,545	112,530
2022	30,802	79,705	15,246	125,753
2023	29,756	77,974	13,392	121,122
2024	32,807	80,719	13,799	127,325
2025	32,370	87,056	12,058	131,484
Average Annual Change	5.62%	9.96%	9.07%	8.65%

Source: Airport Authority records

Table 10

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY  
 Top 50 Origin Destination Markets

Year Ended Quarter 2 2025				Year Ended Quarter 2 2016			
Rank	Airport Code	City	Total Passengers	Rank	Airport Code	City	Total Passengers
1	LGA	New York, NY	45,143	1	ORD	Chicago O'Hare	41,382
2	ORD	Chicago, IL	22,902	2	LGA	New York La Guardia	29,272
3	ATL	Atlanta, GA	22,093	3	ATL	Atlanta	27,196
4	DEN	Denver, CO	9,061	4	SFO	San Francisco	18,483
5	BOS	Boston, MA	8,555	5	DEN	Denver	17,282
6	LAX	Los Angeles, CA	8,221	6	DFW	Dallas/Fort Worth	15,889
7	CLT	Charlotte, NC	8,146	7	CLT	Charlotte	14,756
8	MCO	Orlando, FL	7,924	8	LAX	Los Angeles	14,269
9	SFO	San Francisco, CA	7,737	9	IAH	Houston Intercontinental	11,957
10	IAH	Houston, TX	6,528	10	MCO	Orlando	11,567
11	DFW	Dallas/Ft. Worth, TX	6,442	11	BOS	Boston	11,516
12	AUS	Austin, TX	6,411	12	TPA	Tampa	10,142
13	PHX	Phoenix, AZ	6,316	13	SEA	Seattle/Tacoma	9,896
14	TPA	Tampa, FL	6,053	14	SAN	San Diego	9,812
15	SAN	San Diego, CA	5,048	15	PHX	Phoenix	9,122
16	BNA	Nashville, TN	4,795	16	MSY	New Orleans	8,828
17	LAS	Las Vegas, NV	4,555	17	AUS	Austin	8,056
18	MSY	New Orleans, LA	4,423	18	FLL	Fort Lauderdale	8,026
19	MIA	Miami, FL	4,350	19	MSP	Minneapolis	7,883
20	MSP	Minneapolis/St. Paul, MN	4,294	20	LAS	Las Vegas	7,185
21	PBI	West Palm Beach, FL	4,286	21	MIA	Miami	7,131
22	JAX	Jacksonville, FL	4,122	22	PHL	Philadelphia	6,536
23	SEA	Seattle, WA	3,951	23	BNA	Nashville	6,526
24	SLC	Salt Lake City, UT	3,923	24	JAX	Jacksonville	6,297
25	FLL	Fort Lauderdale, FL	3,814	25	DTW	Detroit	6,067
26	RSW	Fort Myers, FL	3,445	26	PBI	West Palm Beach	5,949
27	MCI	Kansas City, MO	3,370	27	SAT	San Antonio	5,831
28	STL	St. Louis, MO	3,245	28	RSW	Fort Myers	5,793
29	CHS	Charleston, SC	2,986	29	STL	St. Louis	5,549
30	IND	Indianapolis, IN	2,665	30	SLC	Salt Lake City	5,536
31	SAT	San Antonio, TX	2,659	31	MCI	Kansas City	5,230
32	DTW	Detroit, MI	2,509	32	PDX	Portland	4,742
33	MKE	Milwaukee, WI	2,332	33	IND	Indianapolis	4,262
34	PDX	Portland, OR	2,230	34	MKE	Milwaukee	4,124
35	SRQ	Sarasota/Bradenton, FL	2,193	35	MEM	Memphis	4,045
36	BDL	Hartford, CT	2,051	36	BDL	Hartford	3,791
37	MEM	Memphis, TN	2,043	37	CHS	Charleston	3,742
38	BHM	Birmingham, AL	1,947	38	BHM	Birmingham	3,623
39	PWM	Portland, ME	1,892	39	SRQ	Sarasota/Bradenton	3,312
40	OMA	Omaha, NE	1,832	40	MSN	Madison	3,234
41	PNS	Pensacola, FL	1,821	41	OKC	Oklahoma City	2,944
42	PVD	Providence, RI	1,819	42	EWR	New York Newark	2,770
43	GRR	Grand Rapids, MI	1,754	43	SMF	Sacramento	2,525
44	SNA	Santa Ana, CA	1,715	44	OMA	Omaha	2,413
45	SAV	Savannah, GA	1,675	45	PVD	Providence	2,399
46	MSN	Madison, WI	1,617	46	SDF	Louisville	2,313
47	ABQ	Albuquerque, NM	1,564	47	ABQ	Albuquerque	2,281
48	SMF	Sacramento, CA	1,431	48	SAV	Savannah	2,229
49	IAD	Washington, DC	1,394	49	PWM	Portland	2,225
50	LHR	London, UK	1,390	50	TUL	Tulsa	2,080
			272,672		Total - Top 50 Domestic Markets		418,015
	Other destinations		79,900		Other destinations		88,447
	Total - All Domestic Markets		352,572		Total - All Domestic Markets		506,462

Source: Airline Data Inc.

Source: Airline Data Inc.

Table 11

## CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Airport Information  
Last Ten Fiscal Years

**Airport Code:** CHO  
**Location:** 8 Miles North of downtown Charlottesville, Virginia  
**Elevation:** 641 feet  
**FBO:** Signature Flight Support

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Acres<sup>4</sup> (+/-):</b>	779	779	779	779	713	713	713	713	705	705
<b>Runways:</b>										
3/21 North/South ILS 3/GPS	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801	6,801
	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.	by 150 ft.
<b>Terminal<sup>3</sup>:</b>										
Airlines - sq. ft.	20,038	20,038	20,038	20,038	20,038	20,038	20,038	20,038	20,038	25,294
Rental Car - sq. ft.	660	660	660	660	660	660	660	660	660	270
Tailwind - sq. ft.	2,790	2,790	2,790	2,790	2,790	2,790	2,790	2,790	2,790	2,500
TSA - sq. ft.	725	725	725	725	725	725	725	496	496	496
<b>Total</b>	<b>24,213</b>	<b>24,213</b>	<b>24,213</b>	<b>24,213</b>	<b>24,213</b>	<b>24,213</b>	<b>24,213</b>	<b>23,984</b>	<b>23,984</b>	<b>28,560</b>
# of passenger gates	5	5	5	5	5	5	5	5	5	5
# of loading bridges	1	1	1	1	1	1	1	1	1	1
# of Concessionaires in Terminal <sup>5</sup>	3	3	3	3	3	3	3	3	4	4
# of Rental Car Agencies in Terminal <sup>8</sup>	3	3	2	2	2	3	3	3	3	3
<b>Parking:</b>										
Spaces assigned: <sup>7</sup>										
Short-term	108	108	108	108	108	108	108	108	108	108
Long-term	743	743	743	743	743	743	743	743	743	748
Economy	220	220	220	220	220	220	132	132	132	132
Overflow <sup>1</sup>	439	439	439	439	439	439	196	196	196	216
Small GA Lot <sup>2</sup>	-	-	-	-	-	-	65	65	65	65
Rental Cars/Tenant	295	295	295	295	295	295	303	303	303	303
Employee Lot <sup>1</sup>	69	69	69	69	69	69	146	146	146	146
<b>Total</b>	<b>1,874</b>	<b>1,874</b>	<b>1,874</b>	<b>1,874</b>	<b>1,874</b>	<b>1,874</b>	<b>1,693</b>	<b>1,693</b>	<b>1,693</b>	<b>1,718</b>
<b>Employees:</b>										
Administrative	11	11	12	11	11	12	12	10	9	7
Public Safety	11	10	10	10	9	10	11	6	7	8
Maintenance	9	10	10	15	13	12	12	7	7	7
Operational Facility Assts/CSO	1	1	1	2	2	2	2	2	2	2
Parking	8	9	9	10	9	10	10	9	9	8
Custodians	6	6	6	-	-	-	-	-	-	-
Equipment Technician	-	-	-	1	1	1	1	1	1	1
<b>Total f/t employees (2080) hrs. per yr.</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>45</b>	<b>47</b>	<b>48</b>	<b>35</b>	<b>35</b>	<b>33</b>
<b>Hangars:</b>										
T-Hangar Units	4	4	4	4	4	4	4	4	4	4
Conventional Units <sup>6</sup>	6	6	6	6	6	6	6	6	5	5

<sup>1</sup>When the new employee lot was completed during FY16, the old employee lot became the overflow lot.

<sup>2</sup>This lot was previously included in the FBO leasehold, but under the new agreement, it clarified these spaces were airport spaces.

<sup>3</sup>These figures were updated with final space allocation performed after Terminal Renovation and Expansion project completed in 2016.

<sup>4</sup>In December 2017, the Authority purchased 7.8 acres of land that became available adjoining airport property. In May 2022, the Authority purchased 66 acres of land that became available adjoining airport property.

<sup>5</sup>October 31, 2017, the Authority's agreement with Interspace ended and the Authority now does advertising in-house.

<sup>6</sup>Signature Flight Support completed construction on a box hangar during FY18.

<sup>7</sup>During FY20, a temporary lot (97 spaces) was created, an employee lot was converted to passenger overflow parking (146 spaces) and an expansion of the economy lot (88 spaces) was completed. The GA lot was converted to employee parking. Eight (8) spaces were removed from rental cars; 4 of those were put to employee parking and the other 4 were taken out of inventory.

<sup>8</sup>Hertz Rental Car filed for bankruptcy in May 2020 and later pulled out of the Airport in September 2020.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY  
Demographic Information

Population in the Primary Trade Area <sup>(1)</sup> Fiscal Years Ended June 30						
	%					
	Change					
	2024	2024/2023	2023	2022	2021	2020
City of Charlottesville	51,743	1.2%	51,132	51,278	51,079	49,447
County of Albemarle	117,790	1.4%	116,148	115,495	114,424	110,545
County of Greene	21,717	1.6%	21,370	21,165	21,030	20,323
County of Fluvanna	28,382	0.6%	28,214	27,843	27,556	27,202
County of Madison	13,982	-0.3%	14,026	14,017	13,871	13,342
County of Nelson	14,788	0.5%	14,713	14,813	14,820	14,904
<b>Total</b>	<b>248,402</b>	<b>1.1%</b>	<b>245,603</b>	<b>244,611</b>	<b>242,780</b>	<b>235,763</b>

Unemployment Rate <sup>(2,4)</sup> Fiscal Years Ended June 30						
	%					
	Change					
	2025	2025/2024	2024	2023	2022	2021
City of Charlottesville	3.3	65.0%	2.0	2.7	3.0	2.8
County of Albemarle	3.5	29.6%	2.7	2.8	2.3	2.1
County of Greene	3.0	15.4%	2.6	2.6	2.0	1.9
County of Fluvanna	3.3	32.0%	2.5	2.5	2.2	2.2
County of Madison	3.1	29.2%	2.4	2.4	1.8	1.6
County of Nelson	3.4	25.9%	2.7	2.8	2.4	2.2

Total Personal Income <sup>(3)</sup> Fiscal Years Ended June 30						
	%					
	Change					
	2023	2023/2022	2022	2021	2020	2019
Albemarle/Charlottesville <sup>(4)</sup>	16,545,814	8.4%	15,268,638	14,081,401	12,230,910	12,160,701
County of Greene	1,187,734	7.5%	1,105,238	1,056,833	977,817	922,167
County of Fluvanna	1,634,351	8.3%	1,509,187	1,457,667	1,328,328	1,237,266
County of Madison	851,333	6.0%	803,253	777,051	687,012	644,173
County of Nelson	999,787	6.7%	937,412	929,771	824,342	765,863
<b>Total</b>	<b>21,219,019</b>	<b>8.1%</b>	<b>19,623,728</b>	<b>18,302,723</b>	<b>16,048,409</b>	<b>15,730,170</b>

Per Capita Income <sup>(3)</sup> Fiscal Years Ended June 30						
	%					
	Change					
	2023	2023/2022	2022	2021	2020	2019
Albemarle/Charlottesville <sup>(4)</sup>	102,987	12.9%	91,201	77,070	77,606	77,657
County of Greene	51,079	-1.1%	51,629	51,152	48,573	46,529
County of Fluvanna	57,422	7.7%	53,333	53,612	48,440	45,334
County of Madison	60,259	6.6%	56,535	55,148	51,608	48,577
County of Nelson	67,990	5.1%	64,673	63,085	55,869	51,297
<b>Total</b>	<b>339,737</b>	<b>7.0%</b>	<b>317,371</b>	<b>300,067</b>	<b>282,096</b>	<b>269,394</b>

<sup>1</sup> Source: Weldon Cooper Center for Public Service (Estimates last published for July 2023)

<sup>2</sup> Source: U.S. Bureau of Labor Statistics June 2025 (Charlottesville only)

<sup>3</sup> Source: Bureau of Economic Analysis/ US Department of Commerce. 2023 data is the most recent year available

<sup>4</sup> Virginia Works (For all except City of Charlottesville June 2025)

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY  
Demographic Information

**Population in the Primary Trade Area <sup>(1)</sup> Fiscal Years Ended June 30**

	2019	2018	2017	2016	2015
City of Charlottesville	49,181	49,281	49,132	49,071	48,210
County of Albemarle	109,722	108,639	107,697	105,715	105,051
County of Greene	20,097	19,959	19,985	19,785	19,840
County of Fluvanna	27,038	26,692	26,467	26,133	26,162
County of Madison	13,251	13,278	13,190	13,099	13,099
County of Nelson	14,794	14,836	14,858	14,835	14,993
Total	234,083	232,685	231,329	228,638	227,355

**Unemployment Rate <sup>(2, 4)</sup> Fiscal Years Ended June 30**

	2020	2019	2018	2017	2016
City of Charlottesville	9.0	2.8	2.3	3.6	3.5
County of Albemarle	7.5	2.8	2.5	3.7	3.7
County of Greene	7.5	2.5	2.3	3.3	3.1
County of Fluvanna	7.4	2.5	2.3	3.2	3.3
County of Madison	5.0	2.4	2.2	3.1	3.3
County of Nelson	7.5	3.2	2.7	3.8	3.5

**Total Personal Income <sup>(3)</sup> Fiscal Years Ended June 30**

	2018	2017	2016	2015	2014
Albemarle/Charlottesville <sup>(4)</sup>	11,702,008	10,531,351	9,981,222	9,182,721	8,795,194
County of Greene	877,858	844,388	798,762	760,363	701,736
County of Fluvanna	1,197,011	1,141,266	1,078,644	1,040,445	967,881
County of Madison	649,082	624,316	631,172	574,042	541,990
County of Nelson	752,436	720,555	695,591	666,135	629,685
	15,178,395	13,861,876	13,185,391	12,223,706	11,636,486

**Per Capita Income <sup>(3)</sup> Fiscal Years Ended June 30**

	2018	2017	2016	2015	2014
Albemarle/Charlottesville <sup>(4)</sup>	74,613	67,630	64,938	60,294	58,603
County of Greene	44,383	43,055	41,320	39,681	36,873
County of Fluvanna	44,693	43,145	41,218	39,659	37,095
County of Madison	48,822	47,022	48,152	43,775	41,194
County of Nelson	50,717	48,220	46,700	45,055	42,403
	263,228	249,072	242,328	228,464	216,168

<sup>1</sup> Source: Weldon Cooper Center for Public Service (Estimates last published for July 2023)

<sup>2</sup> Source: U.S. Bureau of Labor Statistics June 2025 (Charlottesville only)

<sup>3</sup> Source: Bureau of Economic Analysis/ US Department of Commerce. 2023 data is the most recent year available

<sup>4</sup> Virginia Works (For all except City of Charlottesville June 2025)

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Principal Employers in the Primary Air Trade Area <sup>(1)</sup>

As of 2nd Quarter 2025	As of 2nd Quarter 2016
1. University of Virginia / Blue Ridge Hospital	1. University of Virginia / Blue Ridge Hospital
2. County of Albemarle	2. University of Virginia Medical Center
3. Wal Mart	3. County of Albemarle
4. Sentara Healthcare	4. Martha Jefferson Hospital
5. UVA Health Services Foundation	5. City of Charlottesville
6. City of Charlottesville	6. State Farm Mutual Automobile Insurance
7. Louisa County Public School Board	7. UVA Health Services Foundation
8. Charlottesville City School Board	8. Charlottesville City School Board
9. Dominion Virginia Power	9. U.S. Department of Defense
10. U.S. Department of Defense	10. Fluvanna County Public School Board
11. Food Lion	11. Walmart
12. Fluvanna County Public School Board	12. Lakeland Tours
13. Wintergreen Resort	13. Food Lion
14. Region Ten Community Services	14. Region Ten Community Services
15. Servicelink Management Com Inc	15. Servicelink Management Com Inc.
16. Aramark Campus	16. Wintergreen Resort
17. Greene County School Board	17. Northrop Grumman Corporation
18. Crutchfield Corporation	18. Greene County School Board
19. Northrop Grumman Corporation	19. Piedmont Virginia Community College
20. Klockner Pentaplast America	20. SNL Security LP
21. Lowes' Home Centers, Inc.	21. Troy Construction, LLC.
22. Piedmont Virginia Community College	22. Aramark Campus
23. Morrison Crothall Support	23. Atlantic Coast Athletic Club
24. Postal Service	24. Nelson County School Board
25. Atlantic Coast Athletic Club	25. Buckingham County School Board
26. Boar's Head Inn	26. Assoc. for Investment Management
27. Wegmans Store #07	27. Kroger
28. Nelson County School Board	28. GE Fanuc Automation North Corporation
29. County of Louisa	29. Crutchfield Corporation
30. State Farm Mutual Automobile Insurance	30. Thomas Jefferson Memorial
31. RMC Events	31. Postal Service
32. Fluvanna Correctional Center	32. Buckingham Correctional Center
33. Thomas Jefferson Memorial	33. Harris Teeter Supermarket
34. CACI	34. Fluvanna Correctional Center
35. ADP Totalsource CO XXII Inc	35. Boar's Head Inn
36. Westminster Canterbury of the Blue Ridge	
37. Falconer Construction Company	
38. Farmington Country Club	
39. Harris Teeter Supermarket	
40. McDonald's	
41. U.P.S	
42. Kroger	
43. Morrison Management Specialists	
44. General Atomics	
45. Integrity Cleaning	
46. VDOT	
47. Assoc for Investment Management	
48. Tiger Fuel	
49. County of Fluvanna	
50. Fresh Fields Whole Food Market	

<sup>(1)</sup> Primary trade area is defined as the Thomas Jefferson District: Charlottesville, Albemarle, Greene Fluvanna, Louisa and Nelson

**Source:** Virginia Employment Commission, Publications, Community Profiles, Planning Regions, 8/15/2025

## COMPLIANCE SECTION





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

---

**To The Honorable Members of The  
Charlottesville-Albemarle Airport Authority  
Charlottesville, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Charlottesville-Albemarle Airport Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charlottesville-Albemarle Airport Authority's basic financial statements and have issued our report thereon dated December 15, 2025

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Charlottesville-Albemarle Airport Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charlottesville-Albemarle Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Charlottesville-Albemarle Airport Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Robinson, Farmer, Cox, Associates". The signature is written in a cursive, flowing style.

Charlottesville, Virginia

December 15, 2025



**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over  
Compliance in Accordance with the Passenger Facility Charge (PFC) Program**

---

**To the Honorable Members of The  
Charlottesville-Albemarle Airport Authority  
Charlottesville, Virginia**

**Report on Compliance for the Passenger Facility Charge Program**

***Opinion on the Passenger Facility Charge Program***

We have audited Charlottesville-Albemarle Airport Authority's compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies (Guide)*, issued by the Federal Aviation Administration, that could have a direct and material effect on the Commission's Passenger Facility Charge Program for the year ended June 30, 2025.

In our opinion, Charlottesville-Albemarle Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2025.

***Basis for Opinion on the Passenger Facility Charge Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Charlottesville-Albemarle Airport Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of Charlottesville-Albemarle Airport Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Charlottesville-Albemarle Airport Authority's passenger facility charge program.

## ***Auditors' Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Charlottesville-Albemarle Airport Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Charlottesville-Albemarle Airport Authority's compliance with the requirements of the passenger facility charge program.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Charlottesville-Albemarle Airport Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Charlottesville-Albemarle Airport Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of Charlottesville-Albemarle Airport Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

## **Report on Internal Control over Compliance (Continued)**

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

## **Schedule of Passenger Facility Charge Program Receipts and Expenditures**

We have audited the financial statements of the Charlottesville-Albemarle Airport Authority as of and for the year ended June 30, 2025, and have issued our report thereon dated December 15, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying Schedule of Passenger Facility Charge Program Receipts and Expenditures for the year ended June 30, 2025, is presented for the purpose of additional analysis as required by the Federal Aviation Administration of the U.S. Department of Transportation to implement Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990 and is not a required part of the financial statements referred to above. The Schedule of Passenger Facility Charge Program Receipts and Expenditures is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charge Program Receipts and Expenditures is fairly stated in all material respects in relation to the financial statements as a whole.

*Robinson, Farmer, Cox, Associates*

Charlottesville, Virginia

December 15, 2025

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Schedule of Passenger Facility Charge Program Receipts and Expenditures  
For Each Quarter During the Year Ended June 30, 2025

	<b>1st Quarter Ended Sept 2024</b>	<b>2nd Quarter Ended Dec 2024</b>	<b>3rd Quarter Ended March 2025</b>	<b>4th Quarter Ended June 2025</b>	<b>Year End Total</b>
<b>Receipts</b>					
Passenger facility charges collected	\$ 362,564	\$ 385,963	\$ 330,739	\$ 499,291	\$ 1,578,557
Interest credited	25,477	23,382	22,083	20,728	91,670
Total Receipts	<u>\$ 388,041</u>	<u>\$ 409,345</u>	<u>\$ 352,822</u>	<u>\$ 520,019</u>	<u>\$ 1,670,227</u>
<b>Expenditures</b>					
PFC application 24 (19-24-C-00-CHO):					
Inbound and Outbound Bag Belt	\$ 36,723	\$ 26,421	\$ 11,944	\$ 849,236	\$ 924,324
PAX Terminal Doors	25,200	-	-	-	25,200
Terminal Area Study	1,171	17,089	150,415	41,702	210,377
Total Application 24	<u>\$ 63,094</u>	<u>\$ 43,510</u>	<u>\$ 162,359</u>	<u>\$ 890,938</u>	<u>\$ 1,159,901</u>
Total Expenditures	<u>\$ 63,094</u>	<u>\$ 43,510</u>	<u>\$ 162,359</u>	<u>\$ 890,938</u>	<u>\$ 1,159,901</u>
Net Passenger Facility Charges Receipts and Expenditures	<u>\$ 324,947</u>	<u>\$ 365,835</u>	<u>\$ 190,463</u>	<u>\$ (370,919)</u>	<u>\$ 510,326</u>
Unexpended passenger facility charges as of June 30, 2024				\$ 2,807,563	
Unexpended passenger facility charges as of June 30, 2025				<u>\$ 3,317,889</u>	

This schedule presents the activity of the passenger facility charge program of the Charlottesville-Albemarle Airport Authority. The schedule is presented using the cash basis of accounting.

CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY

Schedule of Findings and Questioned Costs  
Passenger Facility Charge Program  
Year Ended June 30, 2025

---

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

**Passenger Facility Charge**

Internal control over Passenger Facility Charge:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors' report issued on compliance for Passenger Facility Charge:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Federal Aviation Administration (Guide) for its Passenger Facility Charge Program?	No
Procedures for receiving, holding, and using PFC revenue considered fair and reasonable?	Yes
Quarterly reports fairly present the net transactions within the PFC account?	Yes
Identification of Program:	
Part 14 CFR 158      Passenger Facility Charge	

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Passenger Facility Charge Findings and Questioned Costs**

There are no Passenger Facility Charge findings and questioned costs to report.

**CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY**

Summary Schedule of Prior Audit Findings  
Passenger Facility Charge Program  
Year Ended June 30, 2025

---

There were no Passenger Facility Charges findings reported.