



**Charlottesville-UVA-
Albemarle County
Emergency
Communications Center
Financial Report**

June 30, 2025

Charlottesville-UVA-Albemarle County
Emergency Communications Center

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Independent Auditor's Report

To the Honorable Members of the Board of Directors
Charlottesville-UVA-Albemarle County
Emergency Communications Center
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Charlottesville-UVA-Albemarle County Emergency Communications Center (the "Center"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Center, as of June 30, 2025, and the respective 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center 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 Principle

As described in Note 12 to the financial statements, in 2025, the Center adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair



presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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


Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The accompanying budgetary schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an



integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 18, 2025



Basic Financial Statements



**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Statement of Net Position
June 30, 2025**

ASSETS

Current assets:

Cash and cash equivalents	\$ 3,468,824
Accounts receivable (Note 4)	63,082
Due from other governments (Note 4)	128,591
Prepaid expenses	71,948
Total current assets	3,732,445

Capital assets:

Land and construction in progress (Note 6)	10,573,802
Right-of-use assets, net of accumulated amortization (Notes 6 and 7)	3,531,057
Other capital assets, net of accumulated depreciation (Note 6)	2,044,410
Total capital assets, net	16,149,269
Total assets	19,881,714

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to other postemployment benefits (Notes 9, 10 and 11)	106,453
Deferred outflows related to pension (Note 8)	1,402,936
Total deferred outflows of resources	1,509,389

LIABILITIES

Current liabilities:

Accounts payable	122,393
Compensation payable	280,769
Current portion of compensated absences (Note 7)	339,851
Current portion of right-of-use liabilities (Note 7)	195,245
Total current liabilities	938,258

Noncurrent liabilities:

Noncurrent portion of compensated absences (Note 7)	166,597
Noncurrent portion of right-of-use liabilities (Note 7)	3,759,328
Net pension liability (Notes 7, 8)	2,389,680
Net OPEB liabilities (Notes 7, 9, 10 and 11)	526,150
Total noncurrent liabilities	6,841,755
Total liabilities	7,780,013

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to other postemployment benefits (Notes 9, 10 and 11)	310,848
Deferred inflows related to pension (Note 8)	458,672
Total deferred inflows of resources	769,520

NET POSITION

Net investment in capital assets	12,194,696
Unrestricted	646,874
Total net position	\$ 12,841,570

**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025**

OPERATING REVENUES

Intergovernmental:

Charges for services:

City of Charlottesville	\$ 2,456,065
County of Albemarle	4,736,230
University of Virginia	1,925,695
Charlottesville-Albemarle Airport Authority	8,588
Albemarle-Charlottesville Regional Jail	4,015
Rivanna Water and Sewer Authority	10,149
Other	26,179

Total charges for services	9,166,921
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Miscellaneous	65,698
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Total operating revenues	9,232,619
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OPERATING EXPENSES

Personnel	5,532,577
Payroll taxes and fringe benefits	1,900,456
Contractual services	1,705,210
Other charges	1,186,760
Depreciation and amortization	1,571,940
Total operating expenditures	11,896,943
Operating loss	(2,664,324)

NON-OPERATING REVENUES AND EXPENSES

Revenue from the use of money and property	59,251
Commonwealth of Virginia	1,335,499
Interest expense	(203,631)
Loss on disposal	(44,546)
Total non-operating revenues	1,146,573
Loss before contributions	(1,517,751)

CAPITAL CONTRIBUTIONS

City of Charlottesville	85,711
County of Albemarle	173,803
University of Virginia	54,080
Other contributions	26,530
Total capital contributions	340,124
Change in net position	(1,177,627)

Net position, beginning of year, as restated (Note 12)	14,019,197
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Net position, end of year	\$ 12,841,570
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**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Statement of Cash Flows
Year Ended June 30, 2025**

OPERATING ACTIVITIES	
Operating receipts	\$ 13,194,012
Payments to and for employees	(7,343,499)
Payments to suppliers and others	(3,666,728)
Net cash provided by operating activities	<u>2,183,785</u>
INVESTING ACTIVITIES	
Investment income	56,598
Rental income	2,653
Net cash provided by investing activities	<u>59,251</u>
NONCAPITAL FINANCING ACTIVITIES	
Receipts from state grants	<u>1,329,650</u>
CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(90,491)
Capital contributions	340,124
Principal retirement	(149,864)
Interest payments	(203,631)
Net cash used for capital and related financial activities	<u>(103,862)</u>
Net change in cash and cash equivalents	3,468,824
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	<u><u>\$ 3,468,824</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH	
PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (2,664,324)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	1,571,940
Excess of employer contributions over pension expense	64,937
Excess of employer contributions over other postemployment benefits expense	(51,158)
Decrease in:	
Accounts receivable	3,961,393
Prepaid expenses	57,576
Increase (decrease) in:	
Accounts payable	(130,975)
Compensation payable	68,440
Overdraft reclassification	(701,359)
Compensated absences	7,315
Net cash provided by operating activities	<u><u>\$ 2,183,785</u></u>

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Financial Statements

June 30, 2025

Note 1 – Nature of Entity and Summary of Significant Accounting Policies

Nature of Operations

Charlottesville-UVA-Albemarle County Emergency Communications Center (the “Center”), formed January 20, 1984, provides emergency dispatch services to the citizens in the area. The County of Albemarle serves as the fiscal agent and provides all accounting for the Center.

Financial Reporting Entity

The Center has determined that it is a related organization to the County of Albemarle and City of Charlottesville in accordance with Governmental Accounting Standards Board (GASB). The Center is considered an intergovernmental (joint) venture and, therefore, its operations are not included in the County’s financial statements. The County of Albemarle, City of Charlottesville, and the University of Virginia provide the financial support for the Center. The Center is controlled by a nine-member board with representatives from the County of Albemarle, the City of Charlottesville, and the University of Virginia. No one entity contributes more than 50% of the Center’s funding or has oversight responsibility over its operations.

Measurement Focus and Basis of Accounting

The Center’s financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing related to cash flows.

The Center distinguishes *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations. The principal operating revenues are charges for services. Operating expenses include the cost of providing services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

The Center’s cash and cash equivalents are part of the pooled cash and investments of the County of Albemarle. All cash on hand, in banks, and certificates of deposit and investments with original maturities of three months or less from the date of acquisition are considered cash and cash equivalents.

Accounts Receivable and Amounts Due from Other Governments

All accounts receivable are shown at gross. No allowance for uncollectible accounts is calculated due to historical collections not requiring write-offs of receivables.

Capital Assets

Capital assets consist of property, equipment, and leasehold improvements and are valued at historical cost or estimated historical cost if actual historical cost is not available. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Donated

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Financial Statements

June 30, 2025

fixed assets are valued at their acquisition value on the date donated. Depreciation is provided on the straight-line method over the estimated useful lives as follows:

Buildings and leasehold improvements	15-20 years
Vehicles	5 years
Communications equipment	5-10 years

Construction in Progress

Construction in progress represents expended funds for engineering, furnishing, installation, and construction of an Entity-Wide Mobile Data System. At the completion of the project, amounts will be transferred to capital assets. Administrative, overhead, and other costs that do not increase the value of the property are expensed as incurred.

Leases and Subscriptions

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

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Net Position

Net position is the difference between 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to those assets.

Net Position Flow Assumption

Sometimes the Center 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 financial statements, a flow assumption must be made about the order in which the

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Financial Statements

June 30, 2025

resources are considered to be applied. It is the Center's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Compensated Absences

The Center recognizes a liability for compensated absences for leave time that (1) has been earned for service previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – annual leave and compensatory time and sick leave. The liability for compensated absences includes salary-related benefits, where applicable.

Annual Leave and Compensatory Time – Employees of the Center are granted annual leave in varying amounts based on years of service. In the event of termination, an employee is reimbursed for accumulated annual leave and compensatory time in full.

Sick Leave – Employees of the Center are granted sick leave which accumulates but is not paid out upon an employee's separation of employment. The amount of sick leave that can be accumulated and carried to future years for employee's is capped based on their classification as a Plan 1, Plan 2, or Hybrid employee in Virginia Retirement System (VRS). The Center uses a three-year look-back period to estimate the amount of sick leave that has been earned and will be used as sick leave over the employee's service period.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement which presents financial position reports a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Center has the following items that qualify for reporting as deferred inflows and outflows:

- Contributions subsequent to the measurement date for pensions and OPEB. These will be applied to the net pension or OPEB liability in the next fiscal year.
- Changes in assumptions and changes in proportion. This difference will be recognized in pension or OPEB expense over the remaining service life of the employees subject to the plan and may be reported as a deferred outflow or a deferred inflow as appropriate.
- Differences between expected and actual experience for economic/demographic factors and changes in assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. These differences will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Financial Statements

June 30, 2025

Pensions and Other Postemployment Benefits (OPEB)

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

Note 2 – Deposits and Investments

The Center's cash and cash equivalents are a part of the pooled cash and investments of the County of Albemarle, the Center's fiscal agent. The components of the Center's cash and equivalents as to bank and investment balances are not identifiable. As disclosed in the County's Annual Comprehensive Financial Report as of June 30, 2025, all County deposits with banks and savings were either covered by federal depository insurance or considered to be insured in accordance with Section 2.2-4400 et. seq. of the *Code of Virginia*, and the Virginia Security for Public Deposits Act.

Note 3 – Revenues

Revenues consist primarily of operating appropriations from the City of Charlottesville, the County of Albemarle, and the University of Virginia. The Center also receives operating and capital grants from state and federal sources.

Note 4 – Accounts Receivable and Due From Other Governments

Amounts due from other governments are as follows:

Due from other governmental units:

Commonwealth of Virginia	<u>\$ 128,591</u>
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The Center also has \$63,082 for accounts receivable from localities for services provided. As described in Note 1, the Center does not have an allowance for doubtful accounts.

Note 5 – Fiscal Agent

The County of Albemarle serves as fiscal agent for the Center. As a part of the fiscal agent agreement, the County provides treasury, accounting, purchasing and personnel services for the Center.

**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Notes to Financial Statements
June 30, 2025**

Note 6 – Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 90,027	\$ -	\$ -	\$ 90,027
Construction in progress	10,448,141	35,634	-	10,483,775
Total capital assets not being depreciated	<u>10,538,168</u>	<u>35,634</u>	<u>-</u>	<u>10,573,802</u>
Other capital assets:				
Leasehold improvements	159,138	-	-	159,138
Vehicles	201,135	28,995	49,391	180,739
Communications equipment	27,345,737	-	19,864,907	7,480,830
Leased equipment	3,800,385	25,862	-	3,826,247
Right-of-use subscriptions	310,886	-	-	310,886
Total other capital assets	<u>31,817,281</u>	<u>54,857</u>	<u>19,914,298</u>	<u>11,957,840</u>
Accumulated depreciation/amortization				
Leasehold improvements	159,138	-	-	159,138
Vehicles	119,634	26,632	49,391	96,875
Communications equipment	24,109,400	1,231,245	19,820,362	5,520,283
Leased equipment	229,800	232,746	-	462,546
Right-of-use subscriptions	62,213	81,317	-	143,530
Total accumulated depreciation/amortization	<u>24,680,185</u>	<u>1,571,940</u>	<u>19,869,753</u>	<u>6,382,372</u>
Total capital assets being depreciated/ amortized, net	<u>7,137,096</u>	<u>(1,517,083)</u>	<u>44,546</u>	<u>5,575,467</u>
Net capital assets	<u>\$ 17,675,264</u>	<u>\$ (1,481,449)</u>	<u>\$ 44,546</u>	<u>\$ 16,149,269</u>

Depreciation and amortization expense amounted to \$1,571,940 for 2025.

Note 7 – Long-Term Obligations

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

	<u>Beginning Balance*</u>	<u>Increases/ Issuances</u>	<u>Decreases/ Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences**	\$ 499,133	\$ 7,315	\$ -	\$ 506,448	\$ 339,851
Net pension liability	2,033,492	356,188	-	2,389,680	-
Net OPEB liabilities	487,992	38,158	-	526,150	-
Lease liability	3,868,998	-	77,171	3,791,827	119,582
Subscription liability	235,439	-	72,693	162,746	75,663
Total	<u>\$ 7,125,054</u>	<u>\$ 401,661</u>	<u>\$ 149,864</u>	<u>\$ 7,376,851</u>	<u>\$ 535,096</u>

*Beginning balance is restated in accordance with GASB Statement No. 101. See Note 12.

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Financial Statements June 30, 2025

** Compensated absences change is shown net.

Leases

Annual requirements to amortize lease liabilities and related interest are as follows:

Years Ending June 30,	Lease Liabilities	
	Principal	Interest
2026	\$ 119,582	\$ 187,947
2027	136,220	181,985
2028	154,079	175,187
2029	137,707	167,490
2030	150,917	160,631
2031-2035	1,052,010	669,051
2036-2040	1,175,293	374,925
2041-2045	866,019	103,310
	\$ 3,791,827	\$ 2,020,526

A summary of significant Center leases as the Lessee is as follows:

The Center entered into a leasing arrangement on July 1, 2022, with Crown Orchard Tower, LLC to lease a tract of land for 5 years with a commencement date of July 1, 2022, that may be extended for two additional five-year terms. Per the agreement, quarterly lease payments are \$25,625 and increase 3.0% per year. The Center has elected to use their incremental borrowing rate of 5.00% to measure the intangible right to use asset and liability as of July 1, 2022. As of June 30, 2025, the lease liability was \$1,169,337 and the right-of-use asset balance was \$1,012,325 net of amortization.

The Center entered into a leasing agreement on June 17, 2019, with Norfolk Southern Railway Company to lease a parcel of land and telecommunications tower for 5 years with a commencement date of August 16, 2019, that may be extended for four additional five-year terms. Per the agreement, annual lease payments are \$40,000 and increase 4.0% per year. The Center has elected to use their incremental borrowing rate of 5.00% to measure the intangible right to use asset and liability as of August 16, 2019. As of June 30, 2025, the lease liability was \$841,428 and the right-of-use asset balance was \$741,377 net of amortization.

The Center entered into a leasing agreement on February 1, 2019, with ATC Sequoia LLC to lease a telecommunications tower for 10 years with a commencement date of February 1, 2019, that may be extended for three additional five-year terms. Per the agreement, annual lease payments are \$45,000 and increase by 3.5% per year. The Center has elected to use their incremental borrowing rate of 5.00% to measure the intangible right to use asset and liability as of February 1, 2019. As of June 30, 2025, the lease liability was \$828,212 and the right-of-use asset balance was \$765,604 net of amortization.

The Center entered into a leasing agreement on August 12, 2013, with US Cellular to lease a telecommunications tower for 5 years with a commencement date of November 1, 2013, that may be extended for two additional five-year terms. Per the agreement, annual lease payments are \$6,000 and increase by 4.0% per year. The Center has elected to use their incremental borrowing rate of 5.00% to measure the intangible right to use asset and liability as of November 1, 2013. As of June 30, 2025, the lease liability was \$89,379 and the right-of-use asset balance was \$80,100 net of amortization.

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Financial Statements

June 30, 2025

The Center entered into a leasing agreement on June 17, 2019, with Norfolk Southern Railway Company to lease a parcel of land and telecommunications tower for 5 years with a commencement date of August 19, 2019, that may be extended for four additional five-year terms. Per the agreement, annual lease payments are \$40,000 and increase by 4.0% per year. The Center has elected to use their incremental borrowing rate of 5.00% to measure the intangible right to use asset and liability as of August 19, 2019. As of June 30, 2025, the lease liability was \$841,428 and the right-of-use asset balance was \$741,377 net of amortization.

The Center entered into a leasing agreement on March 25, 2024, with Ricoh USA, Inc. to lease a copier for 5 years with a commencement date of September 9, 2024. Per the agreement, annual lease payments are \$5,463. The Center has elected to use their incremental borrowing rate of 5.00% to measure the intangible right to use asset and liability as of March 25, 2024. As of June 30, 2025, the lease liability was \$22,043 and the right-of-use asset balance was \$22,918 net of amortization.

Subscriptions

Annual requirements to amortize subscription liabilities and related interest are as follows:

Years Ending June 30,	Subscription Liabilities	
	Principal	Interest
2026	\$ 75,663	\$ 8,137
2027	47,655	4,354
2028	39,428	1,971
	\$ 162,746	\$ 14,462

A summary of significant Center subscriptions is as follows:

In March 2021, the Center entered into a subscription agreement with Medical Priority Consultants, Inc. for the use of an emergency medical, fire, and police dispatch system expiring in March 2026. The Center is required to make annual payments of \$41,400. The subscription was discounted at a rate of 5.00%, which is the entity's incremental borrowing rate, and as of June 30, 2025, the value of the subscription liability is \$112,743 and the right-of-use asset was \$112,090 net of accumulated amortization.

In March 2024, the Center entered into a subscription agreement with ClearGov, Inc. for the use of a budgeting software expiring in March 2026. The Center is required to make annual payments of \$10,000 which increase 3.0% each year. The subscription was discounted at a rate of 5.00%, which is the entity's incremental borrowing rate, and as of June 30, 2025, the value of the subscription liability is \$19,432 and the right-of-use asset was \$14,472 net of accumulated amortization.

In November 2023, the Center entered into a subscription agreement with SHI International Corp for the use Microsoft 365 software expiring in November 2026. The Center is required to make annual payments of \$32,100. The subscription was discounted at a rate of 5.00%, which is the entity's incremental borrowing rate, and as of June 30, 2025, the value of the subscription liability is \$30,571 and the right-of-use asset was \$40,794 net of accumulated amortization.

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Note 8 – Defined Benefit Pension Plan

Plan Description

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

The Center participates in VRS through the County, the Center’s fiscal agent. The Center accounts for and reports its participation in the County’s VRS plan by applying the requirements for a cost-sharing multiple-employer plan.

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

- <https://www.varetire.org/retirement-plans/defined-benefit/plan1/>
- <https://www.varetire.org/retirement-plans/defined-benefit/plan2/>
- <https://www.varetire.org/retirement-plans/hybrid/>

Contributions

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

The Political Subdivision’s contractually required contribution rate for the year ended June 30, 2025, was 15.27% 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 Political Subdivision were \$695,490 and \$554,856 for the years ended June 30, 2025 and June 30, 2024, respectively.

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 \$26,961 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

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mandatory contribution totaled \$30,737 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$3,509,473 for the year ended June 30, 2025.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Political Subdivisions, the net pension liability was measured as of June 30, 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

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision'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%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service-related. Public Safety Employees – 45% to 70% of deaths are assumed to be service-related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various setbacks or set forwards for both males and females.

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 are as follows:

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

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

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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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted- Average Long-Term Expected Rate of Return
Public equity	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 Partnership	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%
			7.07%

*Expected arithmetic nominal return

- * The above allocation provides for a one-year 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 rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. 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

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inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political Subdivision’s net pension liability	\$ 4,696,814	\$ 2,389,680	\$ 496,445

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

The Center reported liabilities of \$2,389,680 for its proportionate share of the Collective Net Pension Liability of the County’s Plan at June 30, 2025. The Collective Net Pension Liability was measured as of June 30 of the preceding fiscal year and the total pension liability used to calculate the Collective Net Pension Liability was determined by an actuarial valuation as of that date. The Center’s proportion of the Collective Net Pension Liability was based on the Center’s actuarially determined employer contributions to the pension plan for the respective years to the total of the actuarially determined employer contributions for the County’s Plan’s participating employers.

At June 30, 2025, the Center’s proportions was 6.0479% as compared to 5.4050% at June 30, 2024.

For the year ended June 30, 2025, the Political Subdivision recognized pension expense of \$596,216. At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 707,446	\$ 75,408
Change in assumptions	-	-
Net difference between projected earnings on pension plan investments	-	383,265
Employer contributions subsequent to the measurement date	695,490	-
Total	\$ 1,402,936	\$ 458,673

The \$695,490 reported as deferred outflows of resources related to pensions resulting from the Political Subdivision’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the

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Notes to Financial Statements June 30, 2025

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 as follows:

Year Ending June 30,	Effect on Pension Expense
2026	\$ (60,812)
2027	369,909
2028	22,876
2029	(83,199)
2030	-
Thereafter	-

Pension Plan Fiduciary Net Position

Detailed information about the County’s Fiduciary Net Position in the VRS plan is available in the separately issued County’s 2025 Annual Comprehensive Financial Report (ACFR). A copy of the 2025 County of Albemarle ACFR may be downloaded from the County’s website at <https://www.albemarle.org/government/finance-and-budget/historical-budgets-and-annual-comprehensive-financial-report-files>.

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/media/shared/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 9 – Other Postemployment Benefits Liability – Local Plan

Plan Description

The Albemarle County Voluntary Early Retirement Incentive Program (VERIP) is a single-employer defined benefit plan. VERIP benefits are paid monthly for a period of five years or until age 65, whichever comes first. In addition to the monthly stipend, the County will pay an amount equivalent to the Board's annual contribution toward medical insurance. Participants may accept it as a cash payment, or apply it toward the cost of the continuation of their County medical/dental benefits. To be eligible, employees must meet the age and service criteria for reduced VRS retirement and be a current employee at least 50 years of age and have been employed by the County in a benefits-eligible position for 10 of the last 13 years prior to retirement. The plan is administered by the County and does not issue a publicly available separate financial report. Assets in this plan are not administered through a trust.

The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis, meaning contributions are not tied to covered payroll or salaries. The funding requirements are established and may be amended by the County Board of Supervisors.

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Benefits Provided

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

Employees Covered by Benefit Terms

Information regarding covered employees is available in the County's separately issued 2025 Annual Comprehensive Financial Report (ACFR).

Summary of Significant Accounting Policies

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

Investment policies, contribution policies, actuarial assumptions, rates of return, discount rates and other information regarding the plan is provided in the County's 2025 Annual Comprehensive Financial Report.

Net OPEB Liability

At June 30, 2025, the Center reported a liability of \$347,974 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2024, rolled forward to June 30, 2025. The Center's proportion of the collective net OPEB liability was based on a projection of the Center's long-term share of contributions of the OPEB plan relative to the projected contributions of all participating employers. At June 30, 2025, the Center's proportionate share of the County's OPEB plan was 1.21%.

Actuarial Assumptions and other inputs

Information regarding actuarial assumptions and the discount rate is available in the separately issued County's 2025 Annual Comprehensive Financial Report (ACFR).

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

The following presents the total OPEB liability of the Center, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.97%) or one percentage point higher (4.97%) than the current discount rate:

	1.00% Decrease (2.97%)	Current Discount Rate (3.97%)	1.00% Increase (4.97%)
Total OPEB liability	<u>\$ 371,157</u>	<u>\$ 347,974</u>	<u>\$ 326,053</u>

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

The following presents the total OPEB liability of the Center, as well as what the total OPEB liability would be if it was calculated using healthcare cost trend rates that are one percentage point lower (3.04%) or one percentage point higher (5.04%) than the current healthcare cost trend rates:

	1.00% Decrease (3.04%)	Current Healthcare Cost Trend Rates (4.04%)	1.00% Increase (5.04%)
Total OPEB liability	\$ 312,913	\$ 347,974	\$ 388,418

OPEB Benefit and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the Center recognized OPEB benefit of \$(37,919). At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,909	\$ 100,953
Change in assumptions	6,928	59,750
Change in proportion	16,955	121,815
Total	\$ 33,792	\$ 282,518

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

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2026	\$ (76,914)
2027	(70,876)
2028	(54,597)
2029	(46,337)
2030	(2)
Thereafter	-

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan is available in the separately issued County Annual Comprehensive Financial Report (ACFR).

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Notes to Financial Statements June 30, 2025

Note 10 – Other Postemployment Benefits Liability – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Center also participates in VRS group life insurance and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

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

The Center participates in GLI through the County. The Center accounts for and reports its participation in the County’s GLI plan by applying the requirements for a cost-sharing multiple-employer plan.

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 Program. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members’ paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/benefits-and-programs/benefits/life-insurance/>.

The GLI is administered by the VRS along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. This plan is considered a multiple-employer, cost-sharing plan.

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability, with the exception of GLI which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025, contribution	\$20,653
June 30, 2024, contribution	\$20,546

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Financial Statements

June 30, 2025

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

The net OPEB liabilities were measured as of June 30, 2024, and the total OPEB liabilities used to calculate the net OPEB liabilities 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 OPEB liabilities, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

June 30, 2025, proportionate share of liability	\$178,176
June 30, 2024, proportion	5.8324%
June 30, 2023, proportion	5.4128%
June 30, 2025, expense	\$12,105

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

At June 30, 2025, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,102	\$ 4,352
Change in assumptions	1,016	8,830
Net difference between projected and actual earnings on OPEB		
Plan investments	-	15,018
Change in proportion	22,890	129
Employer contributions subsequent to the measurement date	20,653	-
Total	\$ 72,661	\$ 28,329

The deferred outflows of resources related to OPEB resulting from the Center's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

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Notes to Financial Statements June 30, 2025

Group Life Insurance Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2026	\$ (1,241)
2027	8,846
2028	5,402
2029	6,000
2030	4,671
Thereafter	-

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, 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:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.25%
• Ages 65 and older	6.50 – 4.25%
Investment rate of return, net of expenses, including inflation	6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 8.

Net OPEB Liabilities

The net OPEB liabilities represent each program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

Total OPEB liability	\$ 4,196,055
Plan fiduciary net position	3,080,133
Employers’ net OPEB liability	1,115,922
Plan fiduciary net position as a percentage of total OPEB liability	73.41%

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

Long-Term Expected Rate of Return

The long-term expected rate of return on VRS investments was determined in a manner similar to that of the VRS pension described in Note 8.

Discount Rate

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

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ 277,087	\$ 178,176	\$ 98,269

OPEB Plan Fiduciary Net Position

Detailed information about the County’s Fiduciary Net Position in the VRS plan is available in the separately issued County’s 2025 Annual Comprehensive Financial Report (ACFR).

OPEB Plan Data

Information about the various VRS OPEB plan 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 <https://www.varetire.org/media/shared/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.

**Charlottesville-UVA-Albemarle County
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**Notes to Financial Statements
June 30, 2025**

Note 11 – Summary of Net OPEB Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense (Benefit)
Group Life Insurance Program	\$ 72,661	\$ 28,330	\$ 178,176	\$ 12,105
Local plan	33,792	282,518	347,974	(37,919)
	<u>\$ 106,453</u>	<u>\$ 310,848</u>	<u>\$ 526,150</u>	<u>\$ (25,814)</u>

Note 12 – Prior Period Restatement

For the year ended June 30, 2025, the Center adopted GASB Statement No. 101, *Compensated Absences*, which requires liabilities for compensated absence to be recognized when leave has been earned and may be paid in future reporting periods. Implementation of the statement requires a restatement of net position in the earliest year presented. The Center’s restatement of net position is summarized below.

Net position, June 30, 2024, as previously reported	\$ 14,224,466
To record balances not reported:	
Compensated absences	(205,269)
Net position, June 30, 2024, as restated	<u>\$ 14,019,197</u>

Note 13 – New Accounting Standards

In April 2024, the GASB issued **Statement No. 103**, *Financial Reporting Model Improvements*. This statement 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 as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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



Required Supplementary Information

**Charlottesville-UVA-Albemarle County
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**Schedule of Proportionate Share of the Net Pension Liability
June 30, 2025**

Plan Fiscal Year Ended June 30	Employer's Proportion of the County's Net Pension Liability	Employer's Proportionate Share of the County's Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the County's Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	6.05%	\$ 2,389,680	\$ 4,250,961	56.22%	86.43%
2023	5.41%	2,033,492	3,179,331	63.96%	85.87%
2022	5.29%	1,566,047	2,730,670	57.35%	87.88%
2021	5.24%	1,215,388	2,537,628	47.89%	90.34%
2020	4.76%	2,442,821	2,270,170	107.61%	76.95%
2019	4.74%	1,678,220	2,106,746	79.66%	82.70%
2018	5.07%	1,431,592	2,389,359	59.92%	84.98%
2017	5.78%	1,595,710	2,274,559	70.15%	84.45%
2016	5.42%	1,994,229	2,085,278	95.63%	78.49%
2015	5.72%	1,759,698	2,550,811	68.99%	81.12%

**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Schedule of Pension Contributions
June 30, 2025**

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 695,490	\$ 695,490	\$ -	\$ 4,554,617	15.27%
2024	554,856	554,856	-	4,250,961	13.05%
2023	467,893	467,893	-	3,179,331	14.72%
2022	369,110	369,110	-	2,730,670	13.52%
2021	344,675	344,675	-	2,537,628	13.58%
2020	267,199	267,199	-	2,270,170	11.77%
2019	249,182	249,182	-	2,106,746	11.83%
2018	251,469	251,469	-	2,389,359	10.52%
2017	283,088	283,088	-	2,274,559	12.45%
2016	281,167	281,167	-	2,085,278	13.48%

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

**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Schedule of Share of Net OPEB Liability
June 30, 2025**

Plan Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability	Employer's Proportionate Share of the County's Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the County's Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Group Life Insurance					
2024	5.8324%	\$ 178,176	\$ 3,804,570	4.68%	73.41%
2023	5.4128%	166,011	3,184,303	5.21%	69.30%
2022	5.2863%	153,152	2,740,185	5.59%	67.21%
2021	4.7597%	130,094	2,307,010	5.64%	67.45%
2020	4.7394%	183,258	2,260,000	8.11%	52.64%
2019	4.7394%	174,883	2,106,746	8.30%	52.00%
2018	5.0661%	167,283	2,609,197	6.41%	51.22%
2017	6.3118%	202,673	2,274,559	8.91%	48.86%
County of Albemarle Local Plan					
2024	1.2100%	\$ 347,974	N/A	N/A	0.00%
2023	1.2100%	321,981	N/A	N/A	0.00%
2022	1.5100%	581,152	N/A	N/A	0.00%
2021	1.5415%	683,424	N/A	N/A	0.00%
2020	1.7068%	793,340	N/A	N/A	0.00%
2019	1.6100%	685,906	N/A	N/A	0.00%
2018	1.6873%	729,218	N/A	N/A	0.00%
2017	1.9937%	741,122	N/A	N/A	0.00%

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.

**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Schedule of OPEB Contributions
For the Years Ended June 30, 2017 through June 30, 2025**

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
Virginia Retirement System - Group Life Insurance					
2025	\$ 20,653	\$ 20,653	\$ -	\$ 4,394,229	0.47%
2024	20,546	20,546	-	3,804,570	0.54%
2023	17,195	17,195	-	3,184,303	0.54%
2022	14,797	14,797	-	2,740,185	0.54%
2021	12,458	12,458	-	2,307,010	0.54%
2020	11,752	11,752	-	2,260,000	0.52%
2019	10,955	10,955	-	2,106,746	0.52%
2018	13,672	13,672	-	2,609,197	0.52%
2017	12,687	12,687	-	2,274,559	0.56%

County of Albemarle Local Plan

Data is not disclosed for the Center's proportion of the Local Plan because the plan is funded on a pay-as-you-go basis. As such, this plan does not have contractual contribution requirements.

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

Charlottesville-UVA-Albemarle County
Emergency Communications Center
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Changes of Benefit Terms

Pension

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

Other Postemployment Benefits (OPEB)

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

Note 2 – Changes of Assumptions

The actuarial assumptions used in the June 30, 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:

Largest 10 – Non-Hazardous Duty:

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

Largest 10 – Hazardous Duty/Public Safety Employees:

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

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service.

Charlottesville-UVA-Albemarle County Emergency Communications Center

Notes to Required Supplementary Information

June 30, 2025

- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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

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



Other Supplementary Information

Charlottesville-UVA-Albemarle County
Emergency Communications Center
Schedule of Revenues and Expenditures
Budgetary Basis
For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:				
Intergovernmental:				
Charges for services:				
City of Charlottesville	\$ 2,456,065	\$ 2,456,065	\$ 2,456,065	\$ -
County of Albemarle	4,736,230	4,736,230	4,736,230	-
University of Virginia	1,908,106	1,908,106	1,925,695	17,589
Charlottesville-Albemarle Airport Authority	8,588	8,588	8,588	-
Albemarle-Charlottesville Regional Jail	4,015	4,015	4,015	-
Rivanna Water and Sewer Authority	10,149	10,149	10,149	-
Other	11,403	11,403	26,179	14,776
Total charges for services	<u>9,134,556</u>	<u>9,134,556</u>	<u>9,166,921</u>	<u>32,365</u>
Miscellaneous	197,000	1,063,808	65,698	(998,110)
Total operating revenues	<u>9,331,556</u>	<u>10,198,364</u>	<u>9,232,619</u>	<u>(965,745)</u>
Expenditures:				
Operating:				
Salaries and wages	5,229,013	5,229,012	5,317,910	(88,898)
Fringes	1,935,360	1,935,359	1,844,401	90,958
Contractual	1,413,347	1,898,854	1,514,528	384,326
Other charges	690,137	815,478	746,719	68,759
Capital outlays	184,000	359,970	220,093	139,877
Total operating	<u>9,451,857</u>	<u>10,238,673</u>	<u>9,643,651</u>	<u>595,022</u>
Emergency Services:				
Salaries and wages	93,394	93,394	106,458	(13,064)
Fringes	36,575	36,575	25,732	10,843
Contractual	248,280	269,994	246,793	23,201
Other charges	29,692	50,492	57,865	(7,373)
Total emergency services	<u>407,941</u>	<u>450,455</u>	<u>436,848</u>	<u>13,607</u>
800 MHZ Operations:				
Salaries and wages	87,339	87,339	87,116	223
Fringes	33,846	33,846	30,322	3,524
Contractual	27,601	30,947	27,389	3,558
Other charges	68,116	68,116	29,302	38,814
Capital outlays	131,741	165,873	139,717	26,156
Total 800 MHZ operations	<u>348,643</u>	<u>386,121</u>	<u>313,846</u>	<u>72,275</u>
Total expenditures	<u>10,208,441</u>	<u>11,075,249</u>	<u>10,394,345</u>	<u>680,904</u>

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

**Charlottesville-UVA-Albemarle County
Emergency Communications Center
Schedule of Revenues and Expenditures
Budgetary Basis
For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Net loss	\$ (876,885)	\$ (876,885)	\$ (1,161,726)	\$ (284,841)
Non-operating Revenue:				
Revenue from use of money of property:				
Investment earnings	100,000	100,000	56,598	(43,402)
Rent income	3,993	3,993	2,653	(1,340)
Total revenue from use of money of property	<u>103,993</u>	<u>103,993</u>	<u>59,251</u>	<u>(44,742)</u>
Commonwealth of Virginia:				
Wireless E-911 grant	<u>772,892</u>	<u>772,892</u>	<u>1,335,499</u>	<u>562,607</u>
Total revenue from the Commonwealth	<u>772,892</u>	<u>772,892</u>	<u>1,335,499</u>	<u>562,607</u>
Total non-operating revenues	<u>876,885</u>	<u>876,885</u>	<u>1,394,750</u>	<u>517,865</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,024</u>	<u>\$ 233,024</u>

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

**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Reconciliation of the Schedule of Revenues and Expenditures - Budgetary Basis
to the Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2025**

Reconciliation of excess of revenues over expenses to	
changes in net position per the Statement of Revenues,	
Expenses, and Change in Net Position:	
Excess of revenues over expenditures per budgetary	
basis schedule	\$ 233,024
Nonbudgetary funds activity not included on the Schedule of Revenues	
and Expenses - Budgetary Basis:	
800 MHZ Radio System Fund - expenses	(353,551)
Changes in other postemployment benefits	(38,158)
Changes in net pension liability	(356,188)
Changes in compensated absences liability	(7,315)
Changes in lease and subscription liability, net	379,358
Capital contributions	340,124
Changes in deferred outflows of resources	380,691
Changes in deferred inflows of resources	(124)
Additions to capital assets	64,629
Loss on disposal	(44,546)
Depreciation	(1,257,877)
Lease and subscription amortization	(314,063)
Lease and subscription interest	(203,631)
Change in net position, per statement of revenues, expenses,	
and changes in net position	<u><u>\$ (1,177,627)</u></u>



Compliance





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

To the Honorable Members of the Board of Directors
Charlottesville-UVA-Albemarle County
Emergency Communications Center
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-UVA-Albemarle County Emergency Communications Center (the “Center”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Center’s basic financial statements and have issued our report thereon dated December December 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center’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 Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Center’s internal control.

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

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



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center’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.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 18, 2025

Charlottesville-UVA-Albemarle County Emergency Communications Center

Summary of Compliance Matters

June 30, 2025

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the Center's compliance with certain provisions of laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia:

Cash and Investment Laws

Conflict of Interest Act

Local Retirement Systems

Procurement Laws

Uniform Disposition of Unclaimed Property Act

**Charlottesville-UVA-Albemarle County
Emergency Communications Center**

**Schedule of Findings and Responses
June 30, 2025**

A – Financial Statement Audit

None.

Charlottesville-UVA-Albemarle County
Emergency Communications Center
Summary Schedule of Prior Year Audit Findings
June 30, 2025

A – Financial Statement Audit

2024-001: Capital Asset Reporting (Material Weakness)

Condition

Capital asset listings and information needed to populate year-end entries were not effectively retained and recorded as a part of the audit process. Additionally, the process of tracking and recording right-of-use assets and liabilities for leases and subscription-based informational technology arrangements could be improved so that the accounting ledger and financial reporting process more accurately reflect GASB Statements No. 87 and 96.

Recommendation

We recommend reviewing the roles and responsibilities that are present between the Center and its' fiscal agent in order to effectively provide a control system that aids in addressing the reporting of government-wide activity that exists. In doing so, the County and Center can better adhere to existing procedures and effectively combine resources so that these balances are reported each year.

Current Status

No longer applicable for the current year.

2024-002: Material Audit Adjustment (Material Weakness)

Condition

Construction in progress (CIP) and related projects required significant corrections to identify all capitalizable projects and record activity. A material prior period adjustment was made to properly record CIP projects that had begun in prior years.

Recommendation

We recommend reviewing the roles and responsibilities that are present between the Center and its fiscal agent in order to effectively provide a control system that aids in addressing the reporting of government-wide activity that exists. In doing so, the County and Center can better adhere to existing procedures and effectively combine resources so that these balances are reported each year.

Current Status

No longer applicable for the current year.