



City of Charlottesville

Annual Comprehensive Financial Report



For the Year Ended June 30, 2025

CITY OF CHARLOTTESVILLE, VIRGINIA

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

**Prepared by
Department of Finance**

DEPARTMENT OF FINANCE

Christopher Cullinan

Bethany Birckhead

Nicholas Bonaffini

Charles Clemmer

Nakysa Critzer

Gail Hassmer

Sikander Khan

Glen Pack

Charles Philippin

Angela Seaman

Laurie Uszak

Morgan Waterman

CITY OF CHARLOTTESVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Exhibit/Table Page

INTRODUCTORY SECTION

Letter of Transmittal	9
GFOA Certificate of Achievement for Excellence in Financial Reporting	13
List of Elected Officials	14
City Organizational Chart	15

FINANCIAL SECTION

Report of Independent Auditor	17
Management's Discussion and Analysis	20
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	A 31
Statement of Activities	B 33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	C 35
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	D 37
Statement of Net Position – Proprietary Funds	E-1 39
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	E-2 40
Statement of Cash Flows - Proprietary Funds	E-3 41
Statement of Fiduciary Net Position – Fiduciary Funds	F-1 42
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	F-2 43
Notes to the Financial Statements	44
Required Supplementary Information – Budgetary General and Special Revenue Funds	
Note to Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Budget Basis – General Fund	G-1 118
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Budget Basis – American Relief Program ActFund	G-2 123
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Budget Basis – Social Services Fund	G-3 124

CITY OF CHARLOTTESVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS – Page 2

	Exhibit/Table	Page
Required Supplementary Information – Pension and Other Post Employment Benefit Plans		
Schedule of Changes in the Net Pension Liability and Related Ratios- City Pension Plan	H-1	125
Schedule of Pension Plan Contributions – City Pension Plan	H-2	126
Schedule of OPEB Plan Contributions	H-3	127
Schedule of Changes City OPEB Liability and Related Ratios	H-4	128
Required Supplementary Information – Charlottesville School Board – Component Unit - Pension and OPEB		
Schedule of Changes in the Net Pension Liability and Related Ratios - VRS	H-5	130
Schedule of Pension Plan Contributions – VRS	H-6	131
Schedule of the School Board's Proportionate Share of Net Pension Liability – VRS	H-7	132
Schedule of Pension Plan Contributions – VRS	H-8	133
Schedule of Funding Progress- Other Postemployment Benefit Plans	H-9	134
Schedule of Changes in the Net OPEB Liability and Related Ratios	H-10	135
Schedule of Employer Proportionate Share OPEB Plans	H-11	136

SUPPLEMENTARY SECTION

Supplemental Schedules

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Budget Basis - Capital Projects Fund	I-1	138
--------------------------------------	-----	-----

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

Budget Basis – Debt Service Fund	I-2	139
----------------------------------	-----	-----

Nonmajor Governmental Funds -

Combined Balance Sheet	J	141
------------------------	---	-----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	K	142
--	---	-----

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual – Community Development Block Grant Fund	K-1	143
--	-----	-----

Budget and Actual - Grants Fund	K-2	144
---------------------------------	-----	-----

Budget and Actual – Human Services Fund	K-3	145
---	-----	-----

Budget and Actual – Children's Services Act Fund	K-4	146
--	-----	-----

Budget and Actual – Transit Fund	K-5	147
----------------------------------	-----	-----

Budget and Actual – Opioid Remediation Fund	K-6	148
---	-----	-----

CITY OF CHARLOTTESVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS – Page 3

	Exhibit/Table	Page
Supplemental Schedules – Continued		
Internal Service Funds-		
Combining Statement of Net Position	L-1	150
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	L-2	151
Combining Statement of Cash Flows	L-3	152
Charlottesville School Board – Discretely Presented Component Unit Financial Statements -		
Statement of Net Position	M-1	154
Statement of Activities	M-2	155
Balance Sheet – Governmental Funds	M-3	156
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	M-4	157
Statement of Net Position – Internal Service Fund	M-5	158
Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Fund	M-6	159
Statement of Cash Flows – Internal Service Fund	M-7	160

CITY OF CHARLOTTESVILLE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS – Page 4

Exhibit/Table Page

STATISTICAL SECTION

Net Position by Component – Last Ten Years	Table 1	163
Changes in Net Position – Last Ten Years	Table 2	164
Fund Balances of Governmental Funds –Last Ten Years	Table 3	166
Changes in Fund Balances of Governmental Funds – Last Ten Years	Table 4	167
Tax Revenues by Source – Last Ten Years	Table 5	168
Assessed and Estimated Market Value of Real Property – Last Ten Years	Table 6	169
Direct Property Tax Rates – Last Ten Years	Table 7	170
Principal Property Taxpayers	Table 8	171
Property Tax Levies and Collections – Last Ten Years	Table 9	172
Estimated Value of Tax-Exempt Real Property – Last Ten Years	Table 10	173
Ratio of Net Bonded Governmental Debt to Assessed Value and Net Bonded Debt Per Capita- - Last Ten Years	Table 11	174
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Governmental Expenditures and Transfer-Last Ten Years	Table 12	175
Ratios of Outstanding Debt by Type – Last Ten Years	Table 13	176
Computation of Legal Debt Margin – Last Ten Years	Table 14	177
Property Values, Construction and Bank Deposits- Last Ten Years	Table 15	178
Demographic Statistics – Last Ten Years	Table 16	179
Principal Employers	Table 17	180
Government Employees by Function –Last Ten Years	Table 18	181
Operating Indicators by Function – Last Ten Years	Table 19	182
Capital Asset Statistics by Function – Last Ten Years	Table 20	183



INTRODUCTORY SECTION



CITY OF CHARLOTTESVILLE

To be a place where everyone thrives

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

January 31, 2026

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

Dear Citizens and Council Members:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Charlottesville (the City) for the fiscal year ended June 30, 2025.

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

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

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

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

THE REPORTING ENTITY AND ITS SERVICES

The City is located in Central Virginia, approximately 100 miles southwest of Washington, D.C. and 70 miles northwest of Richmond, Virginia. As the seat of both the City

and Albemarle County governments, Charlottesville serves as an economic, cultural and educational center in Central Virginia. As the home of the University of Virginia, one of the most prestigious and highly regarded universities in the country, the City derives a number of benefits, both economic and in the quality of life, from being associated with this area.

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

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

FINANCIAL CONDITION AND OUTLOOK

For Fiscal Year 2025 (completed June 30, 2025): The fund balance for the General Fund finished fiscal year 2025 with a surplus of approximately \$8.5 million in excess of restricted uses and the City's 17% fund balance policy.

Several of the City's largest, locally sourced, revenues performed better than expected, including Real Estate Taxes, Personal Property Taxes, and Business, Professional and Occupational Licenses (BPOL). Permit revenues exceeded budget projections. The City also benefited from proceeds from management of its idle cash as revenues from interest income and gains from investments performed significantly higher than expected.

The majority of City departments spent less than budgeted resulting in budget savings. Salaries and benefit savings was the largest source of savings. The salary savings in fiscal year 2024 were much less than previous fiscal years as the City improved its recruitment and filling of vacant positions and improved financial management of the remaining vacancies.

The City has been focused on the long-term financial sustainability of the City's retirement plan and Other Post-Employment Benefits (OPEB). The funded status of the City's pension plan steadily increased from 53.7% in fiscal year 2017 to 76.2% fiscal year 2025. Similarly, the funded status of the City's OPEB plan has increased from 43.0% in fiscal year 2017 to 93.0% in fiscal year 2025. As part of its AAA-rated financial management, the City has traditionally funded 100% of its required Actuarially Determined Contribution (ADC) for pension costs and OPEB and plans to continue do so in the future. In addition, the City has benefited from long-term market performance in excess of our 7.5% assumed rate of return.

For Fiscal Year 2026 (beginning July 1, 2025): The Adopted Budget for the General Fund for fiscal year 2026 totals \$265.2 million (a 5.3% increase over the fiscal year 2025 budget).

The fiscal year 2026 budget provides the foundation for the provision of high-quality City services. The budget prioritizes the fair and equitable employment practices of the City government through collective bargaining and compensating a professional workforce. The budget addresses Council's priorities: education, transportation, and affordable housing, with additional focus on public safety, organizational excellence, and the commitment to justice, equity, diversity, and inclusion.

Budget drivers for the fiscal year 2026 budget reflect the goals set forth by City Council and reflect several of the Strategic Outcome Areas:

Organizational Excellence: Employee Compensation & Benefits

- \$2.6 million in funding for collective bargaining contracts for the three certified bargaining units of Police, Fire, and Transit which were approved last year and \$1.9 million for the Labor and Trades contract which becomes effective and represents the city's fourth bargaining unit.
- \$1.3 million has been allocated to implement a step plus 1% pay scale adjustment for all unaffiliated employees.
- The City's contribution for healthcare will increase by 30.6% per employee (from \$10,717 to \$14,000) for a total cost increase of \$2.4M.
- The required annual contribution to the City's Pension fund is fully funded and 1% COLA for Retirees is provided. The retirement costs for both the defined benefit and the defined contribution plans in the general fund total \$14.4 million.

Education: Contribution to Charlottesville City Schools

- Continues a commitment to the City Schools by allocating a total funding amount of \$79,026,522 which represents an increase of \$4.9 million over the funding amount provided in FY25.
- Through the City's Capital Improvement Program (CIP), \$7.0 million is funded for school capital improvements in FY26, and a total of \$55.1 million is planned for school projects over the next 5 years including \$30 million for the Walker School Pre-K Center.

Transportation: Improvements to Public Transportation

- 1 new FTE position to Charlottesville Area Transit (CAT) for Transit Mechanic
- Increased local contribution of 13.3% or \$606,308 in FY26 to cover the operational cost increases related to the first full-year of the ATU collective bargaining contract.

In addition to these investments, the fiscal year 2026 budget supports the Strategic Plan areas of Affordable Housing, Climate Action, Public Safety and a commitment to JEDI, Workforce Development, and Contributions to Outside Agencies & Non-Profits.

The fiscal year 2026 budget does not include any tax increases.

ECONOMIC CONDITION AND OUTLOOK

The City's economy in fiscal year 2025 continued its strong performance from the previous fiscal year.

For tax year (calendar) 2025, the total value of real property (both existing and new construction) increased in value by 7.74%. Residential properties increased in value by 8.18% while the value of commercial properties increased by 6.14%. The majority of the increase in real estate values is from existing properties. The increase attributable to new construction is 0.38%.

Capital investments continued in the City in 2024. Specifically, 379 commercial/institutional construction permits were issued with an investment value of \$62.5 million and residential construction permits totaled 1,453 with a value of \$161.9 million.

The City's unemployment rate increased from 2.9% in July 2024 to 3.1% in July 2025. This is lower than both the national unemployment rate of 4.2%, and the state's rate of 3.6%.

OTHER INFORMATION

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

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the forty fifth (45) consecutive such award received by the City. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Charlottesville for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. To receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. With this award and GFOA awards for "Certificate for Excellence in Financial Reporting" and "Distinguished Budget Presentation" the City joins the ranks of "Triple Crown" winners of GFOA's most prestigious awards. Of GFOA's 21,000 member jurisdictions, approximately 300 are Triple Crown winners. The City joins 14 other Virginia local governments on the list of Triple Crown winners.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Christopher V. Cullinan
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Charlottesville
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF CHARLOTTESVILLE, VIRGINIA
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2025

ELECTED OFFICIALS

Council Members:

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

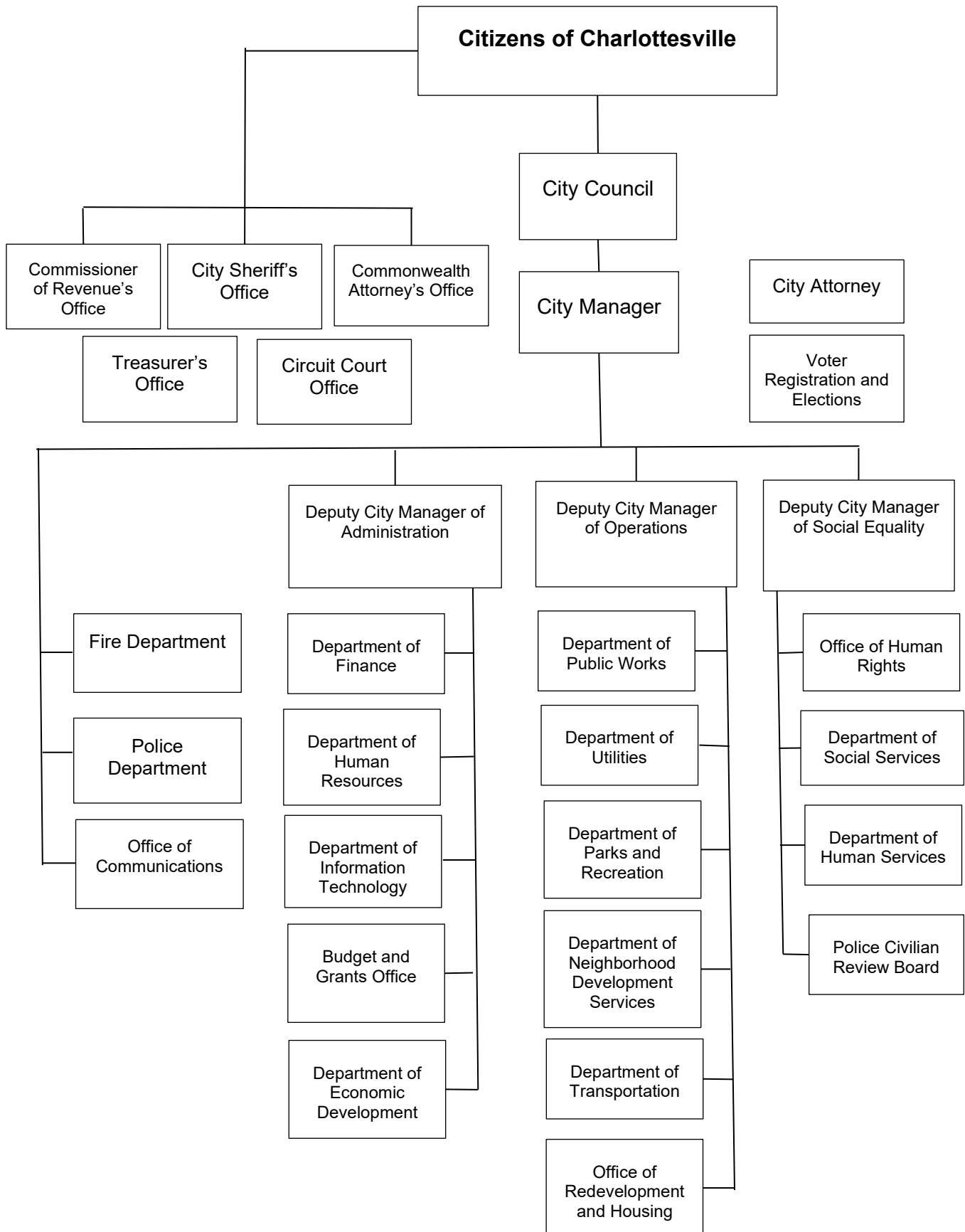
Constitutional Officers:

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

APPOINTED OFFICIALS

Samuel Sanders, Jr.	City Manager
Vacant	Deputy City Manager for Administration
James Freas	Deputy City Manager for Operations
Ashley Marshall	Deputy City Manager for Social Equality
John Maddux	City Attorney
Afton Scheider	Director of Communications
Krisy Hammill	Director of Budget and Grants Management
Chris Engel	Director of Economic Development
Christopher V. Cullinan	Director of Finance
Michael Thomas	Fire Chief
Steve Hawkes	Director of Information Technology
Kellie Brown	Director of Neighborhood Development Services
Michael Kochis	Chief of Police
Steven Hicks	Director of Public Works
Riaan Anthony	Director of Parks and Recreation
Taylor Yowell	General Registrar
Leon Henry	Director of Social Services
Misty Graves	Director of Human Services
Lauren Hildebrand	Director of Utilities
Garland Williams	Director of Transit
Kyna Thomas	Clerk of City Council

City Organizational Chart





FINANCIAL SECTION



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**To the Honorable Members of
the City Council
City of Charlottesville, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlottesville, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlottesville, Virginia, as of and for the year ended June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

We did not audit the financial statements of the School Activity Funds, which represent 2.13 percent, 1.29 percent, and 1.21 percent, respectively, of the governmental fund assets, governmental activities assets, and revenues of the discretely presented component unit - Charlottesville School Board as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School Activity Funds, is based solely on the report of the other auditors.

Basis for Unmodified Opinions

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

Change in Accounting Principle

As described in Note 29 to the financial statements, in 2025, the City 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 30 to the financial statements, in 2025, the City restated beginning balances to reflect the requirements of GASB Statement No. 101 and to correct errors related to prior year intergovernmental revenue and interest revenue. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

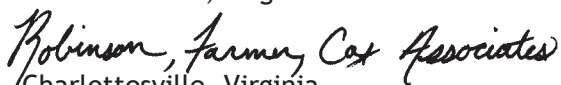
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026, on our consideration of City of Charlottesville, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Charlottesville, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Charlottesville, Virginia's internal control over financial reporting and compliance.


Charlottesville, Virginia
January 30, 2026

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

As management of the City of Charlottesville, Virginia, we offer readers this narrative overview and analysis of the financial activities of the City of Charlottesville, Virginia for the fiscal year ended June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section. The intent of this discussion and analysis is to evaluate the City's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Government-wide

- The City's total net position, on a government-wide basis excluding component units, totaled \$362.4 million as of June 30, 2025.
- The City's net position for the combined governmental and business-type activities, increased by \$19.8 million over the prior year. This an increase of \$14.8 million, as restated, for the governmental net position and a \$5 million increase in business-type net position. Primarily due to a 5% increase in general revenues.

Government Funds

- As of June 30, 2025, the City's governmental funds reported combined ending fund balances of \$116.4 million, an increase of \$18 million over the prior year, primarily due to an increase in general revenues which included a 6% increase in property tax revenue. Approximately 43.5 percent, or \$50.7 million, of this amount is unassigned.
- The General Fund, on a current financial resource measurement focus and the modified accrual basis of accounting, reported revenues \$7.5 million over budget. Several tax revenues (real estate, personal property tax, and meals) as well as Building Permits performed better than expected. The expenditures and other financing sources (net) finished out the year \$17.5 million under budget primarily due to vacancies. In addition, City departments continued diligently monitoring their budgets.

Long-term Liabilities

- The City's total long-term liabilities, consisting of general obligation bonds, compensated absences, pension, leases, and OPEB obligations increased by \$34.8 million during the current fiscal year primarily due to the issuance of general obligation bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

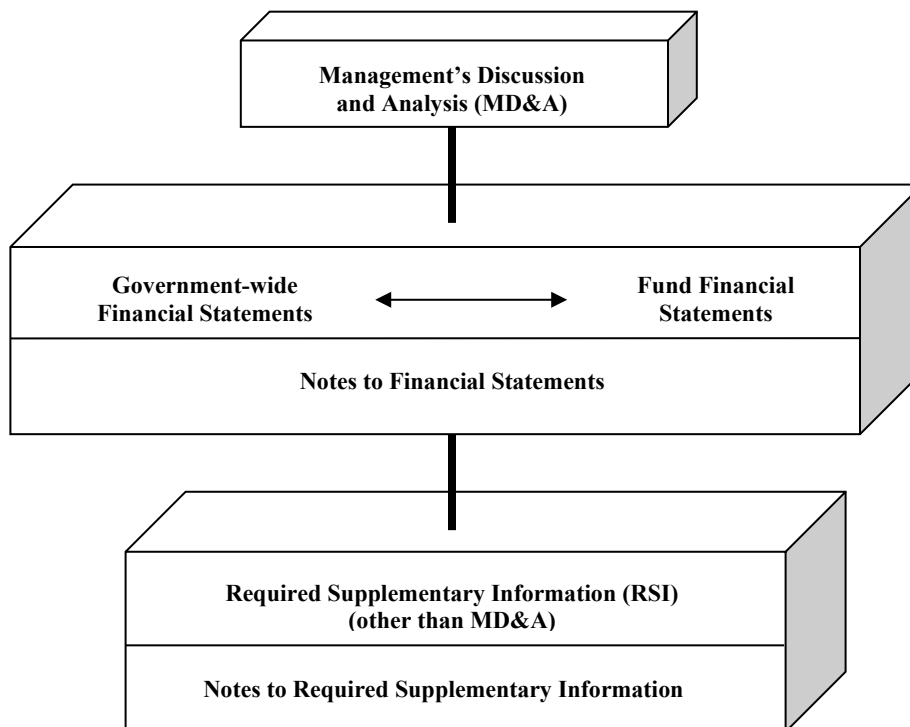
CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

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

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

Figure A
Required Components of City's Financial Statements



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

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

City of Charlottesville, Virginia Condensed Statement of Net Position June 30, 2025 and 2024

Table I

	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 237,073,188	\$ 216,702,213	\$ 36,146,480	\$ 29,781,730	\$ 273,219,668	\$ 246,483,943
Capital assets	378,163,519	336,731,881	113,889,810	11,301,141	492,053,329	348,033,022
Total assets	615,236,707	553,434,094	150,036,290	41,082,871	765,272,997	594,516,965
Deferred Outflow of resources	44,687,476	57,317,600	4,544,886	5,848,554	49,232,362	63,166,154
Liabilities:						
Long-term liabilities	229,897,796	191,063,245	60,893,868	61,261,567	290,791,664	252,324,812
Other liabilities	59,283,455	54,259,408	16,154,141	11,275,687	75,437,596	65,535,095
Total liabilities	289,181,251	245,322,653	77,048,009	72,537,254	366,229,260	317,859,907
Deferred inflow of resources	81,420,755	87,120,659	2,561,198	3,523,034	83,981,953	90,643,693
Net Position:						
Net investment in capital assets	219,892,493	231,154,494	57,941,492	55,270,401	277,833,985	286,424,895
General government	251,957	293,592	-	-	251,957	293,592
Public safety	464,498	713,180	-	-	464,498	713,180
Health and welfare	999,138	513,503	-	-	999,138	513,503
Parks, recreation and culture	8,242	165,659	-	-	8,242	165,659
Conservation and development	193,015	149,592	-	-	193,015	149,592
Nonspendable permanent fund	162,502	162,502	-	-	162,502	162,502
Unrestricted	67,350,332	45,155,860	17,030,477	15,600,736	84,380,809	60,756,596
Total net position	\$ 289,322,177	\$ 278,308,382	\$ 74,971,969	\$ 70,871,137	\$ 364,294,146	\$ 349,179,519

Net position (the difference between assets and liabilities plus deferred outflows of resources less deferred inflows of resources) may serve over time as a useful indicator of a government's financial position. In the case of the City of Charlottesville, the net position was \$364.3 million at the close of fiscal year 2025.

Governmental Activities

The net position of the City's governmental activities increased from \$ \$278.3 million to 289.3.

Business-type Activities

The City's business-type activities net position increased by \$4.1 million corresponding with a 11% increase in charge for services. Business-type activity resources are not to be used to make up for a net position deficit in the governmental activities. In general, the City can only use the unrestricted net position of business-type activities to finance the continued operations of its enterprise operations, which include the Water, Sewer, Stormwater, Gas and Meadowcreek Golf Course funds.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

Statement of Activities

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

City of Charlottesville, Virginia Changes in Net Position For the Years Ended June 30, 2025 and 2024

Table II

	Governmental		Business-type		Total		Percent Change
	2025	2024	2025	2024	2025	2024	
Revenues:							
Program revenues							
Charges for services	\$ 26,623,016	\$ 21,929,594	\$ 69,798,572	\$ 62,888,757	\$ 96,421,588	\$ 84,818,351	13.68%
Operating grants and contributions	52,509,377	48,534,336	367,331	314,368	52,876,708	48,848,704	8.25%
Capital grants and contributions	64,783	140,552	-	-	64,783	140,552	-53.91%
General revenues							
Property taxes	125,234,061	117,980,334	-	-	125,234,061	117,980,334	6.15%
Other taxes	54,856,623	52,332,903	-	-	54,856,623	52,332,903	4.82%
Grants/contributions	44,074,432	42,058,938	-	-	44,074,432	42,058,938	4.79%
Miscellaneous	1,612,511	1,551,902	1,809	16,772	1,614,320	1,568,674	2.91%
Use of money/property	8,475,595	7,364,667	652,106	219,168	9,127,701	7,583,835	20.36%
Total revenues	313,450,398	291,893,226	70,819,818	63,439,065	384,270,216	355,332,291	8.14%
Expenses:							
General government	39,028,191	43,974,181	-	-	39,028,191	43,974,181	-11.25%
Public safety	53,021,127	40,416,952	-	-	53,021,127	40,416,952	31.19%
Community services	34,800,290	27,853,469	-	-	34,800,290	27,853,469	24.94%
Health and welfare	42,572,287	34,511,833	-	-	42,572,287	34,511,833	23.36%
Parks, recreation and culture	21,950,758	18,330,724	-	-	21,950,758	18,330,724	19.75%
Education	81,587,257	69,903,190	-	-	81,587,257	69,903,190	16.71%
Conservation and development	27,553,553	18,366,910	-	-	27,553,553	18,366,910	50.02%
Interest on long-term debt	4,376,156	2,626,108	-	-	4,376,156	2,626,108	66.64%
Water	-	-	16,300,145	13,567,474	16,300,145	13,567,474	20.14%
Sewer	-	-	14,715,273	13,815,189	14,715,273	13,815,189	6.52%
Gas	-	-	25,159,606	22,090,866	25,159,606	22,090,866	13.89%
Stormwater	-	-	2,434,738	1,607,910	2,434,738	1,607,910	51.42%
Golf	-	-	395,668	1,091,337	395,668	1,091,337	-63.74%
Total expenses	304,889,619	255,983,367	59,005,430	52,172,776	363,895,049	308,156,143	18.09%
Change in net position before transfers	8,560,779	35,909,859	11,814,388	11,266,289	20,375,167	47,176,148	-56.81%
Transfers	6,799,124	6,832,218	(6,799,124)	(6,832,218)	-	-	-
Change in net position	15,359,903	42,742,077	5,015,264	4,434,071	20,375,167	47,176,148	
Net position - beginning	278,308,382	232,349,921	70,871,137	66,437,077	349,179,519	298,786,998	16.87%
Restatements	(4,346,108)	3,216,384	(914,432)	(11)	(5,260,540)	3,216,373	
Net Position - As Restated	273,962,274	235,566,305	69,956,705	66,437,066	343,918,979	302,003,371	
Net position end of year	\$ 289,322,177	\$ 278,308,382	\$ 74,971,969	\$ 70,871,137	\$ 364,294,146	\$ 349,179,519	16.87%

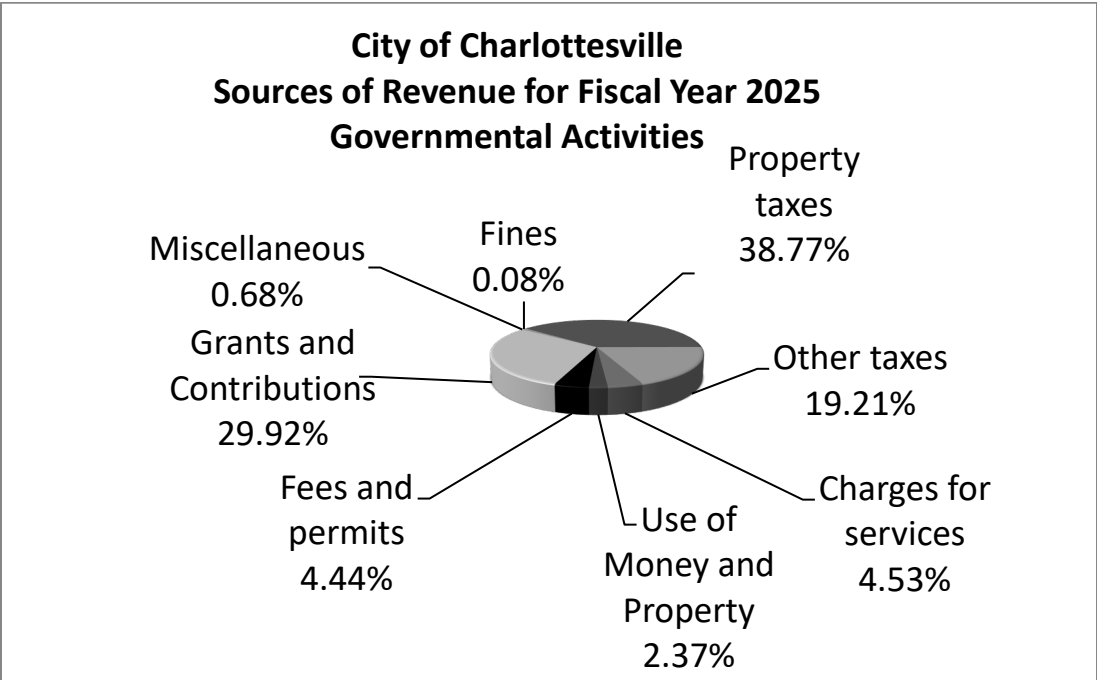
Governmental Activities

The City's total revenues from governmental activities were \$313.5 million for the fiscal year ended June 30, 2025. Approximately 57.5% or \$180.1 million of the City's revenue from governmental activities comes from property and other taxes (56.2% in 2024).

CITY OF CHARLOTTESVILLE, VIRGINIA

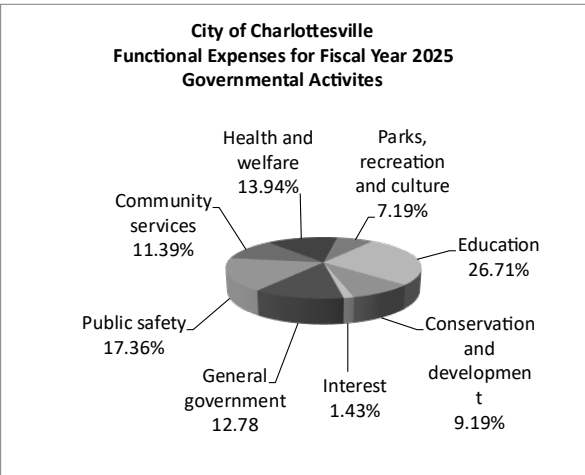
Management’s Discussion and Analysis
Year Ended June 30, 2025

Revenues by Source – Governmental Activities



The City’s governmental activity expenses were \$305.4 million for the fiscal year ended June 30, 2025. This was an increase of \$50.6 million from 2024. Expenses for fiscal year 2025 cover a wide range of services, with 13.94% or \$42.6 million related to health and welfare, 26.71% or \$81.6 million for education (primarily payments to the City’s Public Schools, a component unit), and 17.36% or \$53.0 million related to public safety.

Expenses by Function – Governmental Activities

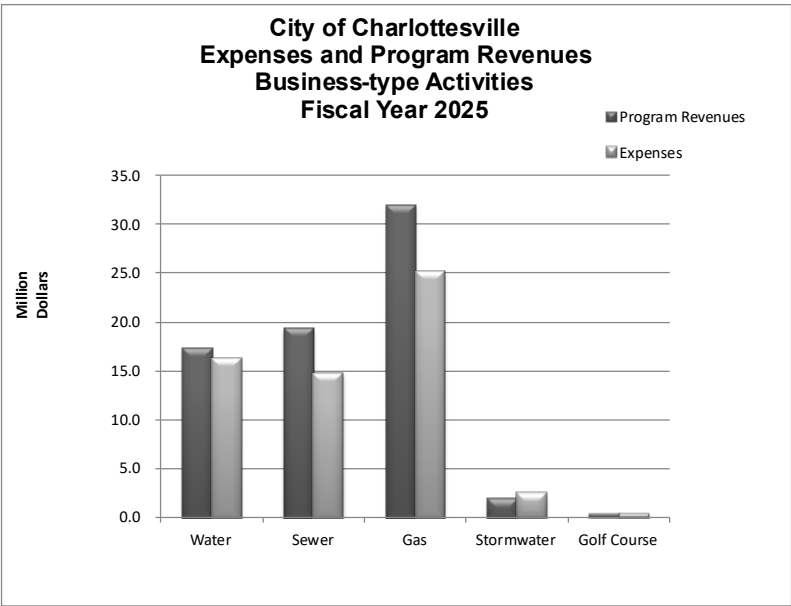


CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis Year Ended June 30, 2025

Business-Type Activities

Net position for the City’s business-type increased by \$4.1 million primarily due to a 13.68% increase in charge for services



Proprietary Funds

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

The Water Fund had an increase in net position of \$318.8 thousand. The Sewer Fund had an increase in net position of \$2.3 million. The Gas Fund had an increase in net position of \$2.3 million. The Stormwater Fund had an increase in net position of \$261.6 thousand. The Golf Fund had a decrease in net position of \$71.3 thousand. The decrease can be attributed to the first full year of outsourcing the operations of the golf course.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

Governmental Funds

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

For the fiscal year ended June 30, 2025, the governmental funds reported combined ending fund balances of \$116.4 million, an increase of \$15.4 million. The increase was mostly due to the increase in tax revenue and charges for services.

Approximately \$61.0 million of the combined total fund balances constitutes committed and assigned fund balance, which generally is available for spending at the government's discretion. This balance includes \$15.4 million committed for debt service.

Nonspendable fund balance is \$162.5 thousand in the Cemetery Permanent Fund and \$754.1 thousand in prepaid items. This amount represents assets that are not readily available to the City for current expenditures.

The City also has \$3.8 million in restricted fund balance. Restricted fund balance represents resources that have restrictions placed on them by an outside party. In this case, the City has received contributions and grant funds that must be used for specific purposes but have not yet been spent.

The remaining fund balance as of June 30, 2025, indicated as unassigned, is \$49.1 million in the General Fund. This amount represents 23.2% of General Fund expenditures and is a measure of the General Fund's liquidity. Total fund balance of the General Fund decreased by \$16.9 million in fiscal year 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund For the Year Ended June 30, 2025

Table III

	Original Budget	Amended Budget	Actual	Variance
Revenues				
Real Estate taxes	\$ 108,438,706	\$ 108,438,706	\$ 110,202,436	\$ 1,763,730
Other taxes	71,759,327	71,759,327	71,186,020	(573,307)
Licenses/permits	11,490,300	11,490,300	14,309,292	2,818,992
Intergovernmental	37,987,798	38,408,553	37,871,900	(536,653)
Charges for services	9,309,437	9,315,037	9,886,632	571,595
Other revenues	4,434,024	4,597,912	8,102,610	3,504,697
Total	243,419,592	244,009,835	251,558,890	7,549,054
Expenditures and net transfers				
Expenditures	230,339,480	233,450,087	211,804,947	21,645,137
Transfers (net)	26,767,453	52,742,501	56,659,360	(3,916,859)
	257,106,933	286,192,588	268,464,307	17,728,278
Change in Fund Balance	\$ (13,687,341)	\$ (42,182,753)	\$ (16,905,417)	\$ (10,179,224)

Factors to explain economic performance for FY2025:

The City's budget ordinance includes, as part of the original budget for expenditures, the amount of \$4.1 million for encumbrances re-appropriated from June 30, 2025. Differences between the original and the final amended budget for the City's General Fund for expenditures, totaled \$3.2 million. This difference is primarily due to supplemental appropriations during the year in Conservation and Development due to an increase in operating our parking structures.

Actual total revenues were higher than the amended budget by \$7.6 million. Significant positive variances between budgeted and actual revenue were in real estate tax, personal property tax, building permits, and business licenses. Some revenues underperformed their budgeted amounts, namely parking-related revenues. Expenditures and transfers were below budget by \$17.7 resulting from vacant positions and lower expenses.

CITY OF CHARLOTTESVILLE, VIRGINIA

Management's Discussion and Analysis Year Ended June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Charlottesville's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$336.7 million (net of depreciation). This investment includes land, municipal and school buildings and improvements, water, sewer and gas distribution systems, machinery and equipment, roads, and bridges.

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

June 30, 2025 and 2024

Table IV

	Governmental		Business-type		Total		Percent Change
	2025	2024	2025	2024	2025	2024	
Land	\$ 32,454,131	\$ 32,341,622	\$ 2,064,048	\$ 2,064,048	\$ 34,518,179	\$ 34,405,670	0.33%
Assets under construction	114,768,933	71,392,664	-	-	114,768,933	71,392,664	60.76%
Buildings and Improvements	106,962,090	107,698,602	279,941	306,671	107,242,031	108,005,273	-0.71%
Vehicles	15,737,879	11,360,473	2,134,681	2,032,287	17,872,560	13,392,760	33.45%
Equipment	3,049,304	3,158,882	308,841	247,203	3,358,145	3,406,085	-1.41%
Streets	41,487,279	44,731,419	-	-	41,487,279	44,731,419	-7.25%
Bridges	33,550,494	33,366,938	-	-	33,550,494	33,366,938	0.55%
Infrastructure	21,339,728	22,356,574	109,092,763	106,633,686	130,432,491	128,990,260	1.12%
Leases	7,019,263	8,008,283	9,537	17,246	7,028,800	8,025,529	-12.42%
Subscription	1,794,418	2,316,424	-	-	1,794,418	2,316,424	-22.53%
Total	\$ 378,163,519	\$ 336,731,881	\$ 113,889,811	\$ 111,301,141	\$ 492,053,330	\$ 448,033,022	9.83%

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

- Belmont Bridge
- Bufford Walker School Pre-K Center
- General District Courthouse

The City's fiscal year 2025 capital improvement funds provided approximately \$67.5 million for various capital projects. Some of the major categories include \$3.1 million in Education related projects, \$2.7 million for general government projects, \$2.8 million for community services and \$3.8 million for conservation and development. General obligation bonds have been issued for a portion of the funding, in accordance with the City's on-going, five-year capital plan.

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

CITY OF CHARLOTTESVILLE, VIRGINIA

Management’s Discussion and Analysis
Year Ended June 30, 2025

Long-term Liabilities

At the end of the current fiscal year, the City of Charlottesville had total bonded debt (including unamortized premiums and notes payable) outstanding of \$191.3 million. This entire amount is backed by the full faith and credit of the City and \$51.9 million is being repaid by the City’s utilities.

City of Charlottesville’s Outstanding Debt
General Obligation Bonds
June 30, 2025 and 2024

Table V

	Governmental		Business-type		Total	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds	\$ 139,361,073	\$ 99,530,872	\$ 51,897,539	\$ 51,947,394	\$ 191,258,612	\$ 151,478,266

Charlottesville’s total debt increased by \$39.8 million during the fiscal year. On its most recent bond issue in June 2025, the City’s bond rating was reaffirmed by S & P Global Ratings and Moody’s Investors Service, as AAA and Aaa, respectively.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation of real property. The current debt limitation for the City of Charlottesville is \$950 million. This is significantly more than the City’s current total outstanding debt.

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

ECONOMIC FACTORS EFFECTNG NEXT YEAR’S BUDGET AND RATES

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

- The City’s unemployment rate increased from 2.6% in July 2024 to 3.1% in July 2025. However, this rate is lower than the national unemployment rate of 4.2%, and the state’s rate of 3.6%.
- The City has an estimated population of 51,743 according to the Weldon Cooper Center for Public Service.

The budget for 2026 was developed building upon the strong performance of the City economy and the City’s operations and vacancies filled. Amounts available for appropriation in the General Fund budget for 2026 are \$265.2 million, an increase of 5.3% over the 2025 budget of \$251.9 million.

CONTACTING THE CITY’S FINANCIAL MANAGEMENT

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

STATEMENT OF NET POSITION

JUNE 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development Authority	School Board
ASSETS					
Cash, cash equivalents and investments (note 3)	\$ 111,273,271	\$ 19,652,131	\$ 130,925,402	\$ 2,809,335	\$ 40,297,808
Interest receivable	524,788	-	524,788	-	-
Accounts receivable, net	14,128,530	7,690,699	21,819,229	-	535,572
Taxes receivable, net	64,722,036	-	64,722,036	-	-
Leases receivable	591,333	-	591,333	3,326,872	-
Loans receivable (note 5)	3,310,397	-	3,310,397	480,814	-
Due from other governments (note 6)	24,136,911	-	24,136,911	-	2,446,780
Inventories	145,189	1,087,989	1,233,178	-	8,097
Prepaid Items	847,221	2,964,644	3,811,865	11	-
Restricted cash and investments (note 3)	17,398,677	4,751,016	22,149,693	-	-
Net Pension Assets	-	-	-	-	2,249,313
Capital assets (note 8):					
Capital assets not being depreciated	147,223,064	2,064,048	149,287,112	-	982,889
Capital assets being depreciated	230,940,455	111,825,763	342,766,218	-	16,290,702
Total assets	<u>615,241,872</u>	<u>150,036,290</u>	<u>765,278,162</u>	<u>6,617,032</u>	<u>62,811,161</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding resulting in loss transactions	147,873	20,797	168,670	-	-
Deferred charges - Net Pension (notes 11 and 15)	36,039,225	3,710,571	39,749,796	-	15,803,503
Deferred charges - Net OPEB (notes 13 and 14)	8,500,378	813,518	9,313,896	-	1,829,551
Total deferred outflows of resources	<u>44,687,476</u>	<u>4,544,886</u>	<u>49,232,362</u>	<u>-</u>	<u>17,633,054</u>
Total Assets And Deferred Outflows of Resources	<u>\$ 659,929,348</u>	<u>\$ 154,581,176</u>	<u>\$ 814,510,524</u>	<u>\$ 6,617,032</u>	<u>\$ 80,444,215</u>

Continued

STATEMENT OF NET POSITION

JUNE 30, 2025

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Economic Development Authority	School Board
LIABILITIES					
Accounts payable	15,594,469	5,757,406	21,351,875	-	4,224,047
Accrued liabilities	22,052,203	3,889,604	25,941,807	96,895	4,246,955
Customer deposits	15,291	982,153	997,444	-	-
Due to other governments	928,546	-	928,546	-	1,464,765
Unearned revenue	1,270,297	65,556	1,335,853	-	14,208
Accrued interest payable	793,260	469,291	1,262,551	115,395	-
Long-term liabilities (note 9):					
Due within one year:	16,660,533	4,984,284	21,644,817	130,000	1,116,225
Lease liabilities due within one year	1,061,593	5,847	1,067,440	-	-
Subscription liabilities due within one year	912,428	-	912,428	-	-
Due in more than one year:	151,202,532	52,315,029	203,517,561	-	8,185,653
Lease liabilities due in more than one year	6,039,346	2,470	6,041,816	-	-
Subscription liabilities due in more than one year	908,410	-	908,410	-	-
Net pension liability (notes 9,11 and 15)	68,105,445	7,769,794	75,875,239	-	41,883,564
Net OPEB liability (notes 9, 13 and 15)	3,642,063	806,575	4,448,638	-	9,775,201
Total liabilities	289,186,416	77,048,009	366,234,425	342,290	70,910,618
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenue	62,952,827	-	62,952,827	-	-
Deferred charges on refunding resulting in gain transactions	107,821	231,294	339,115	-	-
Deferred charges - Net pension (notes 11 and 15)	10,184,347	1,356,831	11,541,178	-	8,807,220
Deferred charges - Net OPEB (notes 13 and 14)	7,592,110	973,073	8,565,183	-	2,354,071
Deferred inflows-leases	583,650	-	583,650	2,062,556	-
Total deferred inflows of resources	81,420,755	2,561,198	83,981,953	2,062,556	11,161,291
NET POSITION					
Net Investment in capital assets	219,892,493	57,941,492	277,833,985	804,233	17,273,591
Restricted for:					
General government	251,957	-	251,957	-	20,262,458
Public safety	464,498	-	464,498	-	-
Community services	999,138	-	999,138	-	-
Health and welfare	8,242	-	8,242	-	-
Conservation and development	193,015	-	193,015	-	-
Permanent fund, nonexpendable	162,502	-	162,502	-	-
Unrestricted	67,350,332	17,030,477	84,380,809	3,407,953	(39,163,743)
Total net position	289,322,177	74,971,969	364,294,146	4,212,186	(1,627,694)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 659,929,348	\$ 154,581,176	\$ 814,510,524	\$ 6,617,032	\$ 80,444,215

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

CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT B

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 39,028,191	\$ 12,883,638	\$ 13,265,587	\$ 64,783
Public safety	53,021,127	432,266	6,112,144	-
Community services	34,800,290	662,691	18,789,603	-
Health and welfare	42,572,287	4,445,513	1,912,178	-
Parks, recreation and culture	21,950,758	1,263,494	928,001	-
Education	81,587,257	137,696	4,619,077	-
Conservation and development	27,553,553	6,797,718	6,882,787	-
Interest on long term debt	4,376,156	-	-	-
Total governmental activities	304,889,619	26,623,016	52,509,377	64,783
Business-type activities:				
Water	16,300,145	17,560,487	-	-
Sewer	14,715,273	17,908,867	-	-
Gas	25,159,606	32,053,612	14,112	-
Stormwater	2,434,738	1,954,282	350,219	-
Golf	395,668	321,324	3,000	-
Total business-type activities	59,005,430	69,798,572	367,331	-
Total Primary Government	\$ 363,895,049	\$ 96,421,588	\$ 52,876,708	\$ 64,783
COMPONENT UNITS				
Economic Development Authority	\$ 497,775	\$ 518,050	\$ -	\$ -
School Board	98,293,043	5,767,850	10,395,933	-
Total Component Units	\$ 98,790,818	\$ 6,285,900	\$ 10,395,933	\$ -

Continued

CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT B - Concluded

Net (Expense) Revenue and Changes in Net Position

Functions/Programs	Component Units				
	Governmental Activities	Business Type Activities	Total Primary Government	Economic Development Authority	School Board
PRIMARY GOVERNMENT					
Governmental activities:					
General government	\$ (12,814,183)	\$ -	\$ (12,814,183)		
Public safety	(46,476,717)	-	(46,476,717)		
Community services	(15,347,996)	-	(15,347,996)		
Health and welfare	(36,214,596)	-	(36,214,596)		
Parks, recreation and culture	(19,759,263)	-	(19,759,263)		
Education	(76,830,484)	-	(76,830,484)		
Conservation and development	(13,873,048)	-	(13,873,048)		
Interest on long term debt	(4,376,156)	-	(4,376,156)		
Total governmental activities	(225,692,443)	-	(225,692,443)		
Business-type activities:					
Water	-	1,260,342	1,260,342		
Sewer	-	3,193,594	3,193,594		
Gas	-	6,908,118	6,908,118		
Stormwater	-	(130,237)	(130,237)		
Golf	-	(71,344)	(71,344)		
Total business-type activities	-	11,160,473	11,160,473		
Total Primary Government	(225,692,443)	11,160,473	(214,531,970)		
COMPONENT UNITS					
Economic Development Authority				\$ 20,275	\$ -
School Board				-	(82,129,261)
Total Component Units				20,275	(82,129,261)
GENERAL REVENUES					
General property taxes	125,234,061	-	125,234,061	-	-
Sales tax	14,174,823	-	14,174,823	-	-
Utility tax	4,933,233	-	4,933,233	-	-
Meals tax	21,205,537	-	21,205,537	-	-
Lodging tax	8,983,836	-	8,983,836	-	-
Public service corporation tax	2,041,089	-	2,041,089	-	-
Wills and deeds tax	793,001	-	793,001	-	-
Rolling stock tax	16,927	-	16,927	-	-
Short-term rental tax	61,231	-	61,231	-	-
Cigarette tax	457,275	-	457,275	-	-
State recordation tax	660	-	660	-	-
Bank stock tax	1,264,385	-	1,264,385	-	-
Plastic bag Tax	71,331	-	71,331	-	-
Business license tax	853,295	-	853,295	-	-
Grants & contributions not restricted to specific programs	44,074,432	-	44,074,432	-	-
State Aid-formula grants	-	-	-	-	20,723,777
Payment from City	-	-	-	-	64,613,080
Unrestricted revenue from use of money and property	823,550	2,522	826,072	9,600	-
Interest on investment earnings	7,652,046	649,584	8,301,630	100,352	-
Miscellaneous	1,612,510	1,809	1,614,319	-	-
Transfers, net	6,799,124	(6,799,124)	-	-	-
Total general revenues and transfers	241,052,346	(6,145,209)	234,907,137	109,952	85,336,857
Change in net position	15,359,903	5,015,264	20,375,167	130,227	3,207,596
Net Position - July 1, 2024	278,308,382	70,871,137	349,179,519	4,081,959	(4,835,290)
Restatements and Adjustments	(4,346,108)	(914,432)	(5,260,540)	-	-
Net Position - July 1, 2024 Restated	273,962,274	69,956,705	343,918,979	4,081,959	(4,835,290)
Net Position - June 30, 2025	\$ 289,322,177	\$ 74,971,969	\$ 364,294,146	\$ 4,212,186	\$ (1,627,694)

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	American Relief Program Act Fund	Social Services Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
ASSETS							
Cash, cash equivalents and investments	\$ 44,513,344	\$ 2,496,306	\$ 69,720	\$ 44,260,308	\$ 15,359,722	\$ 1,001,984	\$ 107,701,384
Interest receivable	524,788	-	-	-	-	-	524,788
Accounts receivable, net	1,150,326	-	11,220	3,997	-	708,435	1,873,978
Taxes receivable, net	64,722,036	-	-	-	-	-	64,722,036
Leases receivable	591,333	-	-	-	-	-	591,333
Due from other governments (note 6)	3,341,811	-	697,105	4,659,066	-	15,438,929	24,136,911
Due from other funds (note 7)	12,254,552	-	-	-	-	-	12,254,552
Loans receivable (note 5)	-	-	-	2,530,000	-	780,397	3,310,397
Prepaid items	-	5,692	-	748,401	-	-	754,093
Total assets	<u>\$ 127,098,190</u>	<u>\$ 2,501,998</u>	<u>\$ 778,045</u>	<u>\$ 52,201,772</u>	<u>\$ 15,359,722</u>	<u>\$ 17,929,745</u>	<u>\$ 215,869,472</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 1,334,773	\$ 76,051	\$ 12,298	\$ 11,974,068	\$ 625	\$ 659,390	\$ 14,057,205
Accrued liabilities	3,336,885	-	637,750	2,064,292	-	3,265,105	9,304,032
Deposits	-	-	-	750,789	-	-	750,789
Due to other governments	-	-	-	-	-	928,546	928,546
Due to other funds (note 7)	-	-	127,997	-	-	8,599,899	8,727,896
Unearned revenue-other	412,340	881,898	-	-	-	33,719	1,327,957
Total liabilities	<u>5,083,998</u>	<u>957,949</u>	<u>778,045</u>	<u>14,789,149</u>	<u>625</u>	<u>13,486,659</u>	<u>35,096,425</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable tax revenue	63,093,076	-	-	-	-	-	63,093,076
Unavailable lease revenue	583,650	-	-	-	-	-	583,650
Unavailable opioid remediation revenue	-	-	-	-	-	705,356	705,356
Total deferred inflows of resources	<u>63,676,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>705,356</u>	<u>64,382,082</u>
FUND BALANCES (Note 2b):							
Nonspendable	-	5,692	-	748,401	-	162,502	916,595
Restricted	676,328	-	-	-	-	3,088,947	3,765,275
Committed	4,443,631	-	-	-	15,359,097	-	19,802,728
Assigned	4,088,362	1,538,357	-	36,664,222	-	486,281	42,777,222
Unassigned	49,129,145	-	-	-	-	-	49,129,145
Total fund balances	<u>58,337,466</u>	<u>1,544,049</u>	<u>-</u>	<u>37,412,623</u>	<u>15,359,097</u>	<u>3,737,730</u>	<u>116,390,965</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,098,190</u>	<u>\$ 2,501,998</u>	<u>\$ 778,045</u>	<u>\$ 52,201,772</u>	<u>\$ 15,359,722</u>	<u>\$ 17,929,745</u>	<u>\$ 215,869,472</u>

Continued

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Total fund balances per the Balance Sheet for Governmental Funds \$ 116,390,965

Amounts reported in the Statement of Net Position (Exhibit A) are different because:

Capital assets are not financial resources and therefore are not reported in the funds statements. The Statement of Net Position, however, includes these assets, net of accumulated depreciation: 378,163,519

Other long-term assets are not available to pay current period expenditures and therefore are deferred in the governmental funds and are not included in fund balance:

Deferred Inflows-Pensions	(10,184,347)
Deferred Inflows-OPEB	(7,592,110)
Deferred Outflows-Pensions	36,039,225
Deferred Outflows-OPEB	8,500,378

Internal service funds area used by management to charge the cost of certain activities such as insurances and telecommunication to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the Statement of Net Position:

Internal Services	12,535,953
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Some of the city's property taxes will be collected after year-end, but are not available soon enough to pay for the current year's expenditures, and the City's opioid settlement funds are currently unavailable and therefore both are unavailable in the funds:

Deferred taxes	140,249
Deferred opioid settlement funds	763,017

Some liabilities, including general bonds payable, are not due as payable in the current period and therefore are not reported as fund liabilities. All liabilities are included in the Statement of Net Position:

Bonds payable	(139,361,073)
Accrued interest payable	(793,260)
Unamortized premiums on bonds	(12,458,664)
Net deferred amount on refunding	40,052
Net pension liability	(68,105,445)
Net OPEB liability	(3,642,063)
Compensated absences	(12,192,442)
Lease Liability	(7,100,939)
Subscription-Based IT Arrangements Liability	(1,820,838)

Net position per the Statement of Net Position (Exhibit A)	\$ 289,322,177
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The accompanying notes are an integral part of the basic financial statements.

CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT D

	General Fund	American Relief Program Act Fund	Social Services Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total
Taxes	\$ 181,388,456	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,388,456
Fees and permits	14,309,292	-	-	42,129	-	-	14,351,421
Intergovernmental	37,871,900	5,670,055	10,977,462	11,778,788	-	26,913,854	93,212,059
Charges for services	9,886,632	-	44	-	-	4,499,706	14,386,382
Fines	242,967	-	-	-	-	-	242,967
Leases	258,925	-	-	-	-	-	258,925
Investment earnings	6,192,446	271,091	-	-	1,161,197	27,312	7,652,046
Miscellaneous	1,408,272	-	4,345	167,602	-	616,523	2,196,742
Total revenues	251,558,890	5,941,146	10,981,851	11,988,519	1,161,197	32,057,395	313,688,998
Current:							
General government	31,231,076	221,363	-	2,669,444	370,286	604,704	35,096,873
Public safety	50,268,259	1,032,846	-	491,137	-	1,115,918	52,908,160
Community services	12,250,622	-	-	2,755,182	-	15,831,588	30,837,392
Health and welfare	9,082,999	609,314	15,906,188	-	-	16,306,682	41,905,183
Parks, recreation and culture	15,869,709	66,962	-	1,248,587	-	796,290	17,981,548
Education	77,397,979	-	-	3,065,538	-	-	80,463,517
Conservation and development	10,698,073	3,321,558	-	3,796,984	-	1,697,161	19,513,776
Debt service:							
Retirement of principal	1,789,301	149,244	5,797	-	12,139,189	28,693	14,112,224
Interest	205,843	19,071	184	-	5,674,186	4,350	5,903,634
Capital outlay	3,011,086	249,697	-	53,468,540	-	4,549,856	61,279,179
Total expenditures	211,804,947	5,670,055	15,912,169	67,495,412	18,183,661	40,935,242	360,001,486
Revenues over (under) expenditures	39,753,943	271,091	(4,930,318)	(55,506,893)	(17,022,464)	(8,877,847)	(46,312,488)
Transfers in (note 7)	8,688,204	-	4,930,318	35,125,186	13,725,940	11,508,430	73,978,078
Transfers out (note 7)	(65,347,564)	-	-	(5,331,390)	-	-	(70,678,954)
Issuance of debt (note 9)	-	-	-	51,950,000	-	-	51,950,000
Premium on issuance of debt (note 9)	-	-	-	6,405,313	-	-	6,405,313
Total other financial sources (uses)	(56,659,360)	-	4,930,318	88,149,109	13,725,940	11,508,430	61,654,437
Net change in fund balance	(16,905,417)	271,091	-	32,642,216	(3,296,524)	2,630,583	15,341,949
Fund Balance July 1, 2024	73,872,455	-	-	4,770,407	18,655,621	1,107,147	98,405,630
Restatements and Adjustments	1,370,428	1,272,958	-	-	-	-	2,643,386
Fund Balance July 1, 2024 as Restated	75,242,883	1,272,958	-	4,770,407	18,655,621	1,107,147	101,049,016
Fund Balance June 30, 2025	\$ 58,337,466	\$ 1,544,049	\$ -	\$ 37,412,623	\$ 15,359,097	\$ 3,737,730	\$ 116,390,965

Continued

CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT D - Concluded

Net change in fund balances - total governmental funds (Exhibit D) \$ 15,341,949

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

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

Capital outlay	61,270,471
Depreciation expense	(15,222,071)

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

Net gain (loss) on disposal of assets	(5,077,978)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of the following:

Change in deferred property taxes	(73,288)
Change in Opioid Settlement funding	28,830

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

New debt issued	(51,950,000)
Principal payments	12,119,799
Payments to reduce lease liability	1,050,398
Payments to reduce subscription liability	942,751

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

Change in accrued interest	27,975
Change in amortization of bond premium	(5,147,975)
Interest earned on bond refunding	10,666

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

Change in compensated absences	(1,900,916)
Change in net pension liability	9,266,401
Net change in deferred outflows and deferred inflows of resources related to net pension liability	(8,656,324)
Change in net OPEB liability	1,286,667
Net change in deferred outflows and deferred inflows of resources related to net OPEB liability	5,168,245

The change in net position of internal service funds, less amounts reflected in long term assets and liabilities, and deferred outflows of resources, and deferred inflows of resources, is combined with governmental activities on the Statement of Activities.	(3,125,697)
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Change in net position per the Statement of Activities (Exhibit B)	\$ 15,359,903
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The accompanying notes are an integral part of the basic financial statements.

CITY OF CHARLOTTESVILLE, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

EXHIBIT E-1

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ -	\$ 5,390,835	\$ 9,559,719	\$ 4,730,719	\$ 856,664	\$ 20,537,937	\$ 20,970,565
Accounts receivable, net	1,068,660	833,907	840,198	354,294	174,625	3,271,684	61,263
Unbilled accounts receivable	1,508,650	1,425,444	1,423,659	-	-	4,357,753	-
Inventories	-	-	-	-	18,613	18,613	1,214,566
Prepaid Items	-	-	2,914,703	-	49,941	2,964,644	93,128
Restricted cash and investments	1,834,932	586,596	-	1,443,682	-	3,865,210	-
Total current assets	4,412,242	8,236,782	14,738,279	6,528,695	1,099,843	35,015,841	22,339,522
Noncurrent assets:							
Land	-	-	584,291	-	1,337,432	1,921,723	-
Easements	12,625	95,600	34,100	-	-	142,325	-
Buildings and improvements	-	39,014	-	-	1,828,030	1,867,044	48,364
Vehicles	901,694	1,381,781	3,002,559	860,800	94,436	6,241,270	25,200
Transmission lines and mains	67,256,248	57,731,886	44,863,204	1,016,826	-	170,868,164	-
Storm drainage	-	-	-	14,338,867	-	14,338,867	-
Equipment	442,359	421,005	1,794,562	19,374	373,547	3,050,847	10,336,669
Lease assets	32	32	2,417	-	3,334	5,815	7,426
SBITA assets	-	-	-	-	-	-	2,449
Accumulated depreciation	(23,615,393)	(18,059,930)	(38,284,889)	(2,734,523)	(1,855,232)	(84,549,967)	(10,279,557)
Total noncurrent assets	44,997,565	41,609,388	11,996,244	13,501,344	1,781,547	113,886,088	140,551
Total assets	49,409,807	49,846,170	26,734,523	20,030,039	2,881,390	148,901,929	22,480,073
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charges on refunding losses	4,094	16,703	-	-	-	20,797	-
Deferred charges-pension	628,282	509,863	2,171,064	270,181	82,752	3,662,142	812,608
Deferred charges-OPEB	148,518	112,544	460,805	65,494	14,919	802,280	141,654
Total deferred outflows of resources	780,894	639,110	2,631,869	335,675	97,671	4,485,219	954,262
LIABILITIES							
Current liabilities:							
Accounts payable	1,895,388	1,916,239	1,568,867	118,540	16,485	5,515,519	1,799,689
Accrued liabilities	381,208	1,224,463	1,498,398	292,216	173,533	3,569,818	3,973,811
Accrued interest payable	211,102	188,172	-	70,017	-	469,291	-
Customer deposits	297,805	-	684,348	-	-	982,153	-
Due to other funds	-	-	-	-	-	-	3,526,656
Liabilities due in less than one year	2,227,597	2,056,065	116,790	579,520	-	4,979,972	26,246
Total current liabilities	5,013,100	5,384,939	3,868,403	1,060,293	190,018	15,516,753	9,326,402
Noncurrent liabilities:							
Liabilites due in more than one year	24,732,634	18,477,798	858,869	8,216,577	2,089	52,287,967	199,444
Net pension liability	1,316,929	986,327	4,834,816	57,606	452,384	7,648,062	2,665,908
Net OPEB liability	173,692	75,817	526,031	(97,583)	120,863	798,820	999,827
Total noncurrent liabilities	26,223,255	19,539,942	6,219,716	8,176,600	575,336	60,734,849	3,865,179
Total liabilities	31,236,355	24,924,881	10,088,119	9,236,893	765,354	76,251,602	13,191,581
DEFERRED INFLOWS OF RESOURCES							
Deferred charges on refunding gains	79,681	151,612	-	-	-	231,293	-
Deferred charges-pension	172,603	232,810	845,679	60,230	20,123	1,331,445	287,447
Deferred charges-OPEB	134,322	158,561	610,174	27,824	15,526	946,407	181,147
Total deferred inflows of resources	386,606	542,983	1,455,853	88,054	35,649	2,509,145	468,594
NET POSITION							
Net investment in capital assets	18,336,267	21,049,107	11,993,836	4,782,869	1,779,413	57,941,492	133,580
Unrestricted	231,474	3,968,310	5,828,585	6,257,897	398,645	16,684,911	9,640,582
Total net position	\$ 18,567,741	\$ 25,017,417	\$ 17,822,421	\$ 11,040,766	\$ 2,178,058	\$ 74,626,403	\$ 9,774,162
Total net position						\$ 74,626,403	
Allocated internal services:							
Warehouse assets						1,134,359	
Warehouse deferred outflows						59,667	
Warehouse liabilities						(796,407)	
Warehouse deferred inflows						(52,053)	
Total allocation of warehouse net position						345,566	
Net position of business-type activities						\$ 74,971,969	

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
OPERATING REVENUES							
Utility charges	\$ 17,003,029	\$ 19,259,649	\$ 31,730,888	\$ 1,933,561	\$ -	\$ 69,927,127	\$ -
Charges for services	270,363	69,365	177,687	20,721	324,324	862,460	27,564,209
Total operating revenues	17,273,392	19,329,014	31,908,575	1,954,282	324,324	70,789,587	27,564,209
OPERATING EXPENSES							
Purchases for resale	10,145,840	10,433,083	12,960,357	-	1,534	33,540,814	1,558,681
Personnel costs	1,590,844	1,541,374	6,601,624	1,010,301	14,201	10,758,344	1,844,588
Materials and supplies	718,509	154,953	971,398	90,063	51,460	1,986,383	571,788
Contractual services and charges	1,362,359	2,529,262	3,274,974	595,664	271,130	8,033,389	5,554,110
Depreciation	1,795,625	1,483,976	1,188,296	520,751	57,341	5,045,989	142,111
Claims incurred	-	-	-	-	-	-	21,286,733
Insurance premiums	-	-	-	-	-	-	3,881,640
Total operating expenses	15,613,177	16,142,648	24,996,649	2,216,779	395,666	59,364,919	34,839,651
Operating income (loss)	1,660,215	3,186,366	6,911,926	(262,497)	(71,342)	11,424,668	(7,275,442)
NONOPERATING REVENUES (EXPENSES)							
Gain/Loss on capital asset disposition	-	(4,325)	47,201	-	-	42,876	-
State Grants	-	-	-	350,219	-	350,219	-
Interest expense	(626,487)	(408,627)	(25,161)	(210,556)	-	(1,270,831)	-
Interest income	66,869	138,514	235,235	208,966	-	649,584	215,811
Bond issuance expense	(19,887)	(8,922)	-	(3,786)	-	(32,595)	-
Capacity fees	252,650	435,975	-	-	-	688,625	-
Insurance recovery	1,808	-	-	-	-	1,808	392,404
Total nonoperating revenues (expenses), net	(325,047)	152,615	257,275	344,843	-	429,686	608,215
Income (loss) before contributions and transfers	1,335,168	3,338,981	7,169,201	82,346	(71,342)	11,854,354	(6,667,227)
Transfers in	1,858,544	2,937,858	143,633	758,416	-	5,698,451	3,500,000
Transfers out	(2,874,909)	(3,995,492)	(5,048,027)	(579,147)	-	(12,497,575)	-
Total transfers, net	(1,016,365)	(1,057,634)	(4,904,394)	179,269	-	(6,799,124)	3,500,000
Change in net position	318,803	2,281,347	2,264,807	261,615	(71,342)	5,055,230	(3,167,227)
Total net position - July 1, 2024	18,381,313	22,804,302	16,208,433	10,819,360	2,249,400	70,462,808	13,148,976
Restatements and Adjustments	(132,375)	(68,232)	(650,819)	(40,209)	-	(891,635)	(207,587)
Total net position - July 1, 2023 as Restated	18,248,938	22,736,070	15,557,614	10,779,151	2,249,400	69,571,173	12,941,389
Total net position - June 30, 2025	\$ 18,567,741	\$ 25,017,417	\$ 17,822,421	\$ 11,040,766	\$ 2,178,058	\$ 74,626,403	\$ 9,774,162
Total business-type change in net position						\$ 5,055,230	
Warehouse sales operating revenues						1,051,219	
Expenses associated with warehouse sales						(1,091,185)	
Net internal service fund allocation						(39,966)	
Change in net position of business-type activities						\$ 5,015,264	

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2025**

	Business - Type Activities - Enterprise Funds						Internal Service Funds
	Water	Sewer	Gas	Stormwater	Golf	Total	
OPERATING ACTIVITIES							
Receipts from customers	\$ 17,313,675	\$ 17,408,444	\$ 31,144,891	\$ 2,305,124	\$ 239,926	\$ 68,412,060	\$ 27,526,734
Payments to suppliers	(11,405,336)	(9,826,446)	(16,352,302)	(544,126)	(382,620)	(38,510,830)	(29,918,766)
Payments to employees	(1,639,839)	(1,615,645)	(6,837,804)	(1,012,368)	-	(11,105,656)	(2,038,809)
Net cash provided by (used for) operating activities	4,268,500	5,966,353	7,954,785	748,630	(142,694)	18,795,574	(4,430,841)
NONCAPITAL FINANCING ACTIVITIES							
Insurance recovery	1,809	-	-	-	-	1,809	392,404
Transfers in	1,858,544	2,937,858	143,633	758,416	-	5,698,451	3,500,000
Transfers out	(2,874,909)	(3,995,492)	(5,048,027)	(579,147)	-	(12,497,575)	-
Net cash provided by (used for) noncapital financing activities	(1,014,556)	(1,057,634)	(4,904,394)	179,269	-	(6,797,315)	3,892,404
CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(2,957,528)	(2,418,804)	(478,018)	(1,780,048)	(60,767)	(7,695,165)	(18,195)
Capacity fees	252,650	435,975	-	-	-	688,625	-
Bond proceeds	2,874,276	1,348,953	-	716,133	-	4,939,362	-
Bond principal paid	(2,200,523)	(2,080,132)	-	(570,000)	-	(4,850,655)	-
Interest paid	(987,664)	(680,228)	(25,161)	(320,545)	-	(2,013,598)	-
Bond issuance expenses	(19,887)	(8,922)	-	(3,786)	-	(32,595)	-
Premium on bonds issued	345,133	162,026	-	86,133	-	593,292	-
Net cash provided by (used for) capital and related financing	(2,693,543)	(3,241,132)	(503,179)	(1,872,113)	(60,767)	(8,370,734)	(18,195)
INVESTING ACTIVITIES							
Interest on investments	66,869	138,514	235,235	208,966	-	649,584	215,811
Net cash provided by investment activities	66,869	138,514	235,235	208,966	-	649,584	215,811
Net increase (decrease) in cash and cash equivalents	627,270	1,806,101	2,782,447	(735,248)	(203,461)	4,277,109	(340,821)
Balances - July 1, 2024	1,207,662	4,158,629	6,682,870	6,909,650	1,060,125	20,018,936	21,315,740
Balances - June 30, 2025	\$ 1,834,932	\$ 5,977,431	\$ 9,559,719	\$ 6,174,401	\$ 856,664	\$ 24,403,147	\$ 20,970,565
Reconciliation of operating income (loss) to net cash used in operating activities							
Operating Income (Loss)	\$ 1,660,215	\$ 3,186,364	\$ 6,911,926	\$ 87,722	\$ (71,344)	\$ 11,774,883	\$ (7,275,440)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	1,795,625	1,483,976	1,188,296	520,751	57,341	5,045,989	142,111
(Increase) decrease in accounts receivable	(37,572)	(58,098)	(880,745)	622	(47,133)	(1,022,926)	(37,475)
(Increase) decrease in inventories	-	-	-	-	(2,926)	(2,926)	(266,197)
(Increase) decrease in prepaid expenses	-	-	(794,217)	-	(15,308)	(809,525)	-
Increase (decrease) in accounts payable	855,819	1,428,383	1,763,114	173,601	(40,260)	4,180,657	2,282,099
Increase (decrease) in accrued liabilities	11,287	26,408	41,351	2,585	-	81,631	(101,122)
Increase (decrease) in customer deposits	43,409	-	2,591	-	-	46,000	-
Increase (decrease) in unredeemed gift certificates	-	-	-	-	(37,265)	(37,265)	-
Increase (decrease) in compensated absences	44,072	(2,897)	73,682	13,945	-	128,802	(73,524)
Increase (decrease) in insurance claims payable	-	-	-	-	-	-	946,560
Net pension liability change for measurement year	(3,177)	4,295	1,816	(5,328)	20,903	18,509	50,195
Net OPEB liability change for measurement year	(101,178)	(102,078)	(353,029)	(45,268)	(6,702)	(608,255)	(98,048)
Net cash provided by (used for) operating activities	\$ 4,268,500	\$ 5,966,353	\$ 7,954,785	\$ 748,630	\$ (142,694)	\$ 18,795,574	\$ (4,430,841)

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents (note 3b)	15,171,647
Interest receivable	\$ 368,578
Investments (note 3b):	
Common stocks	87,363,312
Corporate fixed income securities	13,427,825
Government and agency fixed income securities	22,713,294
Mutual Funds:	
Domestic	57,012,479
International	34,121,604
Alternative Investments:	
Agriculture	13,900,908
Real Estate	19,468,844
Total investments	<u>248,008,266</u>
Total assets	<u>263,548,491</u>
LIABILITIES	
Accounts payable	104,762
Total liabilities	<u>104,762</u>
NET POSITION	
Net position - restricted for OPEB	68,422,372
Net position - restricted for Pension	\$ 195,021,357
Total net position	<u>\$ 263,443,729</u>

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 19,881,262
Plan members	2,554,394
Total contributions	<u>22,435,656</u>
Investment earnings:	
Net increase in fair value of investments	23,978,726
Interest	1,582,236
Dividends	1,396,591
Total investment earnings	<u>26,957,553</u>
Less investment expenses	983,904
Net investment earnings	<u>25,973,649</u>
Total additions	<u>48,409,305</u>
DEDUCTIONS	
Pension benefits	15,885,374
Refund of plan member contributions	216,381
Other post-retirement benefits	4,739,514
Administrative expenses	376,420
Total deductions	<u>21,217,689</u>
Increase in net position	27,191,616
Net Position - July 1, 2024	236,252,113
Net position - June 30, 2025	<u>\$ 263,443,729</u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Description of government-wide financial statements

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

(b) Reporting entity

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

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

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

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

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

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water, wastewater, and

gas functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue for the various functions concerned.

The *Statement of Net Position* is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. The City reports investment in capital assets net of depreciation, including infrastructure, in the Statement of Net Position. Depreciation expense, the cost of “using up” capital assets, is included in the Statement of Activities. Noncurrent liabilities including bonds, net pension liability, notes and loans payable are included, separated into due within one year and due in more than one year. The net position of the City is reported in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

(d) Basis of presentation – fund financial statements

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

The City reports the following major governmental funds:

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

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

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

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

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

Proprietary funds, all of which are considered major funds, are used to account for and report on their activities using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The

purpose of a proprietary fund is to provide a service or product to the public or other governmental entities at a reasonable cost. The City reports the following enterprise funds as proprietary fund types:

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

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

Additionally, the City reports the following fund types:

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

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used to support City operations. The City has established a permanent fund for the Cemetery perpetual care fund.

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

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

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

(e) Measurement focus and basis of accounting

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

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

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

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

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

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

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

(f) Cash, cash equivalents and investments

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

(g) Allowance for uncollectible accounts

The City calculates its allowances for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. At June 30, 2025, the allowances approximated \$1,701,698 in the General Fund, \$1,790,331 in the Proprietary Funds (\$467,478, \$528,938, \$767,073, \$26,842) for the Water, Sewer, Gas, and Stormwater Funds, respectively, and \$2,392,470 in the Capital Projects Fund.

(h) Inventory of supplies and prepaid items

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

(i) Capital assets

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

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

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

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

(j) Deferred outflows/inflow of resources

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

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

Included as both an outflow and inflow are *deferred charges on refunding* reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt.

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

Pension plan changes for measurement date June 30, 2024 are presented on the Statement of Net Position. Actuarially determined *deferred outflows of resources* include changes in the expected and actual experience, along with changes in expected and actual investment earnings, change in proportion on beginning net pension liability, changes in proportions and difference between employer contribution and proportionate share of contributions, changes in assumptions, and employer contributions subsequent to the measurement date. *Deferred inflows of resources* consist of the current year's amortization, actuarially determined changes in proportion on beginning net pension liability, difference between expected and actual investment earnings, and changes in proportion between employer contribution and proportionate share of contributions.

(k) Compensated absences

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

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

Per GASB 101, an estimate of Sick Leave earned but not taken, that is likely to be used in the following year must be recognized. Likely to be used is calculated based on the past 5 years of sick leave actually used. Upon retirement, no cash payments are made for unused sick leave. The compensated absence balance for City and School Board employees as of June 30, 2025, is \$13,603,083 and \$9,301,878 respectively.

(l) Risk management

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

(m) Encumbrances

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

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

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

(o) Leases

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

- **The Lessee** recognizes lease liabilities and intangible right-to-use lease assets for contracts that are longer than twelve months in duration in the government-wide financial statements. As the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term, less any lease incentives. The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payment made to the lessor at or before commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying assets.

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

(p) Subscription Agreements

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

2. GOVERNMENT-WIDE AND FUND EQUITY

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

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

(a) Fund Balances:

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

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

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

- **Nonspendable** - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted** - Represents amounts with constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed** - Represents specific purposes in accordance with internal constraints imposed by formal action of the City's highest level of decision-making, Charlottesville City Council. The formal action is an appropriation, which designates funds for a particular use, to the exclusion of all other uses. Once adopted, the appropriation can only be changed by City Council through similar action.
- **Assigned** – Represents amounts that are constrained by City Council's intent to use for specific purposes but meet neither the restricted nor committed forms of constraint. Amounts that are assigned are only temporary until City Council takes formal action with an appropriation.
- **Unassigned** – Represents the residual category for the general fund only. It is also where negative fund balance for all other governmental funds would be reported. Positive amounts are only reported in the General Fund

Fund balances are composed of the following as of June 30, 2025:

	General	ARPA	Capital Projects	Debt Service	Other Govt	Total
Nonspendable for:						
Prepaid Items	\$ -	\$ 5,692	\$ 748,401	\$ -	\$ -	\$ 754,093
Cemetery perpetual care	-	-	-	-	162,502	162,502
Total nonspendable	-	5,692	748,401	-	162,502	916,595
Restricted for:						
Fire Programs	56,202	-	-	-	107,054	163,256
Law Enforcement	161,616	-	-	-	1,673	163,289
Four for Life	137,953	-	-	-	-	137,953
Court House Maintenance/Construction	212,667	-	-	-	-	212,667
Commonwealth Attorney	39,290	-	-	-	-	39,290
Children's Services Act	-	-	-	-	256,917	256,917
Health and Welfare	-	-	-	-	40,978	40,978
Opioid Remediation	-	-	-	-	701,243	701,243
Parks and Recreation Programs	6,840	-	-	-	1,402	8,242
Conservation	61,760	-	-	-	131,255	193,015
Community Development	-	-	-	-	1,848,425	1,848,425
Total restricted	676,328	-	-	-	3,088,947	3,765,275
Committed for:						
Nonrecurring vehicle/equipment	731,163	-	-	-	-	731,163
Repairs/Improvements to Government Bldg	690,300	-	-	-	-	690,300
Parking enterprise fund	-	-	-	-	-	-
Parks and Recreation Programs	111,931	-	-	-	-	111,931
Fire Programs	13,275	-	-	-	-	13,275
City Council initiatives	25,822	-	-	-	-	25,822
Communications	24,350	-	-	-	-	24,350
Council Reserve	364,176	-	-	-	-	364,176
Citywide Reserve	7,983	-	-	-	-	7,983
Historic Resources	27,369	-	-	-	-	27,369
Courthouse Security	-	-	-	-	-	-
Sheriff Programs	37,913	-	-	-	-	37,913
Minority Business/Workforce Development	90,469	-	-	-	-	90,469
Corporate Training	124	-	-	-	-	124
Reserve for landfill remediation	2,318,756	-	-	-	-	2,318,756
Future debt service	-	-	-	15,359,097	-	15,359,097
Total committed	4,443,631	-	-	15,359,097	-	19,802,728
Assigned for:						
Purchases on Order	4,088,362	-	36,664,222	-	-	40,752,584
Health and Welfare	-	-	-	-	486,281	486,281
Subsequent Year's Budget	-	1,538,357	-	-	-	1,538,357
Total assigned	4,088,362	1,538,357	36,664,222	-	486,281	41,238,865
Unassigned:						
Unassigned	49,129,145	-	-	-	-	49,129,145
Total fund balance	58,337,466	1,544,049	37,412,623	15,359,097	3,737,730	114,852,608

(b) Encumbrances

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

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

	<u>General</u>	<u>ARPA</u>	<u>Capital Projects</u>	<u>Other Govt</u>	<u>Total</u>
Committed for:					
Nonrecurring vehicle and equipment purchases	\$ 2,523,224			\$ 2,437,278	\$ 4,960,502
Repairs and Improvements to Government Buildings	103,553				103,553
Parking enterprise fund	338				338
General Government Programs	36,471	625,414	14,615,277	51,719	15,328,881
Public Safety	496,029		1,580,348	69,297	2,145,674
Community Services	29,878				29,878
Street Construction and Maintenance	20,978		2,657,771	1,170,738	3,849,487
Health and Welfare	25,000	4,480		17,363	46,843
Parks and Recreation Programs	419,659	96,581	2,735,623	-	3,251,863
Education	414,907		3,353,760		3,768,667
Conservation and Development	18,325	210,692	13,869,844	350,235	14,449,096
Total committed	\$ 4,088,362	\$ 937,167	\$ 38,812,623	\$ 4,096,630	\$ 47,934,782

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

(a) Primary Government

At June 30, 2025, the carrying value of the City's deposits and investments, with their respective credit ratings, was as follows:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Demand deposits	\$ 3,881,228	Various
Cash on hand	5,440	Various
Commonwealth LGIP	1,801,554	AAAm
Money Market Mutual Funds	2,450,618	AAAm
Commonwealth Non-Arbitrage Program (SNAP)	11,560,009	AAAm
Virginia Investment Pool	73,350,948	AAAm
Total deposits and investments	<u>\$ 93,049,797</u>	

Investments at Fair Value:

Effective July 1, 2015, the City adopted the provisions of GASB Statement 72, *Fair Value Measurement and Application*. This statement establishes standards of accounting and reporting related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by GASB 72. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and are described as follows.

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

At June 30, 2025, there was no change in valuation techniques that had a significant impact on the values. The fair value hierarchy of Primary Government Investments was as follows:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Credit Rating</u>
Corporate certificate of deposit	\$ -	\$ 2,222,757	\$ -	\$ 2,222,757	Aa2
Corporate notes	-	10,708,701	-	10,708,701	Aaa to Aa3
U. S. Treasury notes	36,927,023	-	-	36,927,023	Aaa
Federal agency notes	-	9,995,810	-	9,995,810	Aaa
Total fair value investments	<u>\$ 36,927,023</u>	<u>\$ 22,927,268</u>	<u>\$ -</u>	<u>\$ 59,854,291</u>	

Credit Risk:

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

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

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

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

Concentration of Credit Risk:

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

At June 30, 2025, the sector and issue limits have not been exceeded.

Interest Rate Risk:

As a means of limiting exposure to fair value arising from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than five years from the date of purchase. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities. At June 30, 2025, all investments in the City's portfolio had a maturity of five years or less.

Restricted Cash and Investments:

The City had unspent bond proceeds of \$22,149,693. Of this amount, \$17,398,677 was for governmental activities, and \$4,751,016 was business-type activities.

(b) City of Charlottesville Pension and OPEB Trust Fund

At June 30, 2025, the fair value hierarchy of Primary Government Investments, and the deposits and investments of the Pension Trust Fund, with the respective credit ratings, was as follows:

<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Credit Rating</u>
Common Stock	\$ 87,363,312	\$ -	\$ -	\$ 87,363,312	Various
Corp Fixed Income Securities	13,427,825	-	-	13,427,825	Aaa-B3
Government & agency fixed income securities					
Explicitly guaranteed by U.S. government	-	13,645,180	-	13,645,180	Various
Implicitly guaranteed by U.S. government	-	7,171,427	-	7,171,427	Aaa-Aa1
Municipal	-	1,896,687	-	1,896,687	Aaa-Aa1
Mutual Funds - domestic	-	57,012,479	-	57,012,479	Various
Mutual Funds - international	-	34,121,604	-	34,121,604	Various
Total investments at fair value	<u>\$ 100,791,137</u>	<u>\$ 113,847,377</u>	<u>\$ -</u>	<u>\$ 214,638,514</u>	
Demand deposits	<u>\$ 15,171,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,171,647</u>	
Total investments at fair value & demand deposits	<u>\$ 115,962,784</u>	<u>\$ 113,847,377</u>	<u>\$ -</u>	<u>\$ 229,810,161</u>	

Alternative Investments:

A provision of GASB Statement 72, *Fair Value Measurement and Application*, is to disclose detail pertaining to City's Alternative Investments. The fair value of these investment types has been determined using the Net Asset Value per Share of the City's ownership interest in partners' capital. The City is invested in four unique alternative investments that make up 12.67% of the Pension Trust Fund total investments. There are no unfunded commitments, nor do any of the funds have a set end date. The valuation method is presented on the following table:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Redemptions Frequency</u> <u>(if currently eligible)</u>	<u>Redemption</u> <u>Notice Period</u>
Alternative investments - UBS AgriVest	\$ 6,112,309	Quarterly	60 days
Alternative investments - Ceres Farms	7,788,600	Annually	150 days
Alternative investments - RE PRISA	9,822,897	Quarterly	90 days
Alternative investments - RE PRISA II	9,645,947	Quarterly	90 days
Total alternative investments at fair value	<u>\$ 33,369,753</u>		

Credit Risk:

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Investments in the Pension Trust Fund are managed in accordance with policies adopted by the Retirement Commission. These policies set target allocations of 50% for domestic equities, 20% for fixed income, 10% for international equities, 5% for Emerging Markets, 5% for Farmland, and 10% for real assets and authorizes investments in cash equivalents, fixed income securities, equity securities and mutual funds. The Statement specifically addresses the credit quality rating requirements on fixed income investments, permitting the purchase of investment grade bonds rated BBB or better. Fixed income investments rated below BBB shall constitute no more than 10% of the total market value of all assets in the account. Credit ratings in the table below are ratings from Moody's Investor's Service. If the investment was rated only by Standard & Poor's Rating Services, the table below has the Moody's equivalent rating. The following table summarizes the Pension Trusts' credit risk for corporate, implicitly guaranteed by U.S. government and municipal fixed income securities at June 30, 2025:

<u>Investment Type</u>	<u>Rating</u>	<u>% of Total Portfolio</u>
Corporate Bonds	No rating	6.5 %
Corporate Bonds	Aaa	7.1
Corporate Bonds	Aa1-Aa3	3.1
Corporate Bonds	A1-A3	11.2
Corporate Bonds	Baa1-B3	9.3
Federal Home Loan Mortgage Corporation	Aaa-Aa1	4.4
Federal National Mortgage Association	Aaa-Aa1	13.2
Implicitly Guaranteed Bonds	Aaa-Aa1	2.2
Municipal Bonds	Aaa-Aa1	5.2

Concentration of Credit Risk:

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

Company is not to exceed 5% of the total fund

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

Interest Rate Risk:

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

At June 30, 2025, the Trust had the following investments and maturities:

	<u>Investment Maturity</u>			
	<u>Fair Value</u>	<u>0 - 5 years</u>	<u>6 - 10 years</u>	<u>11 - 40 years</u>
Corporate fixed income	\$ 13,427,825	\$ 4,002,923	\$ 1,765,884	\$ 7,659,018
Government fixed income	22,713,294	1,435,399	4,074,658	17,203,238
	<u>\$ 36,141,119</u>	<u>\$ 5,438,322</u>	<u>\$ 5,840,542</u>	<u>\$ 24,862,256</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Rate of Return:

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.65% at June 30, 2025 and 11.44% at June 30, 2024. The money-weighted rate of return expresses investment performance adjusted for the changing amounts invested.

(c) School Board Component Unit

At June 30, 2025, the carrying value of the School Board component unit deposits and investments, with their respective credit ratings, was as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>
Deposit and Investment Type:		
Demand deposits	\$ 35,447,081	N/A
Commonwealth LGIP	<u>4,850,727</u>	AAAm
Total Deposits and Investments	<u>\$ 40,297,808</u>	

School Board deposits are invested in accordance with the City's investment policy. At June 30, 2025, excluding the demand deposits and Commonwealth LGIP, there were no investments. Accordingly, there is no credit risk, concentration of credit risk, or interest rate risk.

(d) Charlottesville Economic Development Authority (CEDA)

At June 30, 2025, the carrying value of the CEDA component unit deposits and investments, with their respective credit ratings, was as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>
Deposit and Investment Type:		
Demand deposits	\$ 2,809,335	N/A
Total Deposits and Investments	<u>\$ 2,809,335</u>	

The City serves as fiscal agent for the CEDA. However, the CEDA is not subject to the City's investment policy. At June 30, 2025, excluding the demand deposits, there were no investments. Accordingly, based on this minimal risk, the CEDA does not have the need for a formal investment policy that addresses credit risk, concentration of credit risk or interest rate risk.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

4. GENERAL PROPERTY TAXES

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

(a) Real Estate

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

Real estate taxes are collected in equal semiannual payments that are due June 5 and December 5. During the fiscal year, the real estate taxes budgeted for and reported as revenue in the fund financial statements are the second half of the January 1, 2024, assessment which is due December 5, 2024. The first half of the January 1, 2025 assessment normally due June 5, 2025, less an allowance for uncollectible and less taxes not considered available for current expenditures plus collections on previously delinquent taxes. The tax rate for 2025 is \$0.98 per \$100 of assessed value. Real estate taxes receivable, assessed as of January 1, 2025, and due December 5, 2025, are reflected in the accompanying fund financial statements as a receivable and are offset by deferred revenue, which is consistent with the City's budget ordinance. In the government-wide financial statements, real estate taxes that are not due as of June 30, 2025, are included in deferred revenue since they are not due for the current fiscal year.

(b) Personal Property

The City levies personal property taxes on motor vehicles and tangible personal business property. These levies are assessed as of January 1 and prorated for motor vehicles acquired or sold during the year, with payment in equal semiannual installments due June 5 and December 5. During fiscal year 2025, the personal property taxes budgeted for and reported as revenue in the fund financial statements are the second half of the January 1, 2024 assessment due December 5, 2024, and the first half of the January 1, 2025 assessment normally due June 5, 2025, less an allowance for uncollectible and less taxes not considered to be available for current expenditures plus collections on previously delinquent taxes. The tax rate for 2025 was \$4.40 per \$100 of assessed value. Personal property taxes receivable, assessed during 2025 and due December 5, 2025, are reflected in the accompanying fund financial statements as a receivable and are offset by deferred revenue, which is consistent with the City's budget ordinance. In the government-wide financial statements, personal property taxes that are not due as of June 30, 2025, are included in deferred revenue since they are not due for the current fiscal year.

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

5. LOANS RECEIVABLE

The Community Development Block Grant (CDBG) Special Revenue Fund has \$8,181 in outstanding installment loans and \$387,236 in deferred payment loans, which are secured by property liens. Both installment and deferred payment loans have terms from 5 to 30 years, bear an interest rate of three percent, and are payable upon sale, transfer or disposal of the property. These loans represent monies advanced to low-income qualified property owners under federally funded housing renovation and rehabilitation projects and are fully offset on the balance sheet by an amount due to the federal government.

The Grants Special Revenue Fund has \$384,980 in deferred payment loans, which are secured by property liens. All loans represent federally funded monies advanced to low-income qualified property owners under the HOME

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

The Capital Projects has the following outstanding loans receivable:

- \$850,000 to Piedmont Housing Alliance (PHA), which is a non-interest bearing loan due October 31, 2022, unless the property is sold before that date.
- \$130,000 in a non-interest bearing loan to the Charlottesville Economic Development Authority (CEDA) which is part of funding utilized by the Lewis & Clark Exploratory Center of Virginia, Inc., combined with grant funds from the Virginia Department of Transportation and funds from Albemarle County to construct the Lewis & Clark Exploratory Center, and improvements at Darden Towe Park, which is jointly owned by the City and the County. The loan is currently due but a request to forgive the loan was approved by the City Council contingent on Albemarle County doing the same. Albemarle County has not taken action on this request.
- \$1,550,000 to The Crossings at Fourth and Preston, LLC for the transfer of property at 401 4th Street, NW Charlottesville, to be operated as a Single Room Occupancy facility. The loan is for a period of 31 years, interest calculates at 4.3% per annum. The entire principal balance and any accrued, unpaid, interest are due June 30, 2042, or upon sale of the property.
- \$2,392,470 in deferred payment loans advanced to low-income property owners with terms similar to those of the CDBG and HOME grants described above but funded by the City rather than federal funds. The loans are secured by property liens on the participating homeowners. Depending on the terms of each loan, a ratable portion of the loan balance is forgiven each month in which the participant owns the home. If the participant sells the home before the entire loan is forgiven, they are responsible for repayment of the remaining loan balance. Because this rarely happens, and therefore most loans are forgiven, an allowance for the full amount is recorded to offset the receivable.

The Charlottesville Economic Development Authority (CEDA) entered into a 20-year promissory note with the Charlottesville Pavilion in the amount of \$2.4 million for construction cost of the Amphitheater in 2004, with periodic payments of principal and interest, at 3.70%. The note is secured by a first lien on all the assets of the Charlottesville Pavilion, its fixtures, an accounts receivable. In 2018, a modification of the promissory note was executed to re-advance \$500,000 for the replacement of the roof of the Amphitheater and extend the maturity date of the note to 2026. The balance of the note receivable was \$480,814 at June 30, 2025. In 2013, CEDA also executed a \$130,000 promissory note with the Lewis & Clark Exploratory Center for the construction of their learning center at Darden Towe Park. A reimbursement payable to the City is currently recorded and will be forgiven as described above.

6. DUE FROM AND TO OTHER GOVERNMENTS

(a) Amounts due from other governments at June 30, 2025, are presented below:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
City Governmental Activities:				
Major funds:				
General Fund - Consolidated	\$ -	\$ 3,182,727	\$ 159,084	\$ 3,341,811
Capital Projects Fund	-	4,212,300	446,766	4,659,066
Social Services	-	693,427	3,678	697,105
Total major funds	-	8,088,454	609,528	8,697,982
Non-major funds:	5,064,466	7,960,545	2,413,918	15,438,929
Total Primary Government	\$ 5,064,466	\$ 16,048,999	\$ 3,023,446	\$ 24,136,911
Component Unit - Schools	\$ 1,235,549	\$ 943,360	\$ 267,871	\$ 2,446,780

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

(b) Amounts due to other governments at June 30, 2025, are presented below:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Non-major funds:				
CDBG	\$ 395,416	\$ -	\$ -	\$ 395,416
Consolidated Grants	59,425	68,476	405,229	533,130
Total Primary Government	<u>\$ 454,841</u>	<u>\$ 68,476</u>	<u>\$ 405,229</u>	<u>\$ 928,546</u>

7. DUE TO/FROM OTHER FUNDS AND INTERFUND TRANSFERS

(a) Individual fund deficits in consolidated pooled cash are considered short-term receivables of the General Fund. Individual fund interfund receivable and payable balances of the City at June 30, 2025, are presented below:

Major funds:			
General Fund	\$ 12,254,552	\$ -	
Social Services Fund	-	127,997	
Warehouse	-	380,392	
Fleet	-	3,146,264	
Total major funds	12,254,552	3,654,653	
Non-major funds:			
Special revenue funds:			
Community Development Block Grant	-	21,524	
Grants Fund	-	546,485	
Human Services Fund	-	500,155	
Comprehensive Services Act Fund	-	(266,208)	
Transit	-	7,797,943	
Total special revenue funds	-	8,599,899	
Totals	<u>\$ 12,254,552</u>	<u>\$ 12,254,552</u>	

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Interfund transfers for the year ended June 30, 2025, consisted of the following:

		Transfers in:						
	<u>General</u>			<u>Social</u>	<u>Nonmajor</u>			
Transfers out:	<u>Fund</u>	<u>CIP Fund</u>	<u>Debt Service</u>	<u>Services</u>	<u>Government</u>	<u>Health Care</u>	<u>Proprietary</u>	<u>Total</u>
General Fund	\$ -	\$35,125,186	\$13,725,940	\$4,930,318	\$11,077,040	\$ -	\$ 489,080	\$65,347,564
CIP Funds	1,400,000	-	-	-	431,390	3,500,000	-	5,331,390
Water Fund	1,074,909	-	-	-	-	-	1,800,000	2,874,909
Sewer Fund	1,165,268	-	-	-	-	-	2,830,224	3,995,492
Stormwater	-	-	-	-	-	-	579,147	579,147
Gas Fund	5,048,027	-	-	-	-	-	-	5,048,027
Total	<u>\$8,688,204</u>	<u>\$35,125,186</u>	<u>\$13,725,940</u>	<u>\$4,930,318</u>	<u>\$11,508,430</u>	<u>\$3,500,000</u>	<u>\$5,698,451</u>	<u>\$83,176,529</u>
Reconciliation to exhibits:		Transfers in:	Transfers out:					
Governmental Funds	Exhibit D	\$73,978,078	\$70,678,954					
Proprietary Funds	Exhibit E-2	5,698,451	12,497,575					
		<u>\$79,676,529</u>	<u>\$83,176,529</u>					

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

8. CAPITAL ASSETS

(a) Primary Government

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities:				
Capital assets not being depreciated				
Land and improvements	\$ 29,087,123	\$ 112,509	\$ -	\$ 29,199,632
Infrastructure right of way	3,254,499	-	-	3,254,499
Assets under construction	71,392,664	50,555,126	7,178,857	114,768,933
Total capital assets not being depreciated	103,734,286	50,667,635	7,178,857	147,223,064
Other capital assets				
Buildings and improvements	196,818,707	4,452,487	215,000	201,056,194
Vehicles	50,568,335	7,436,228	217,682	57,786,881
Furniture and equipment	30,012,739	804,335	-	30,817,074
Streets	107,285,357	-	1,182,685	106,102,672
Bridges	37,524,888	1,092,306	-	38,617,194
Infrastructure	56,446,371	-	-	56,446,371
Lease - equipment	401,783	60,520	-	462,303
Lease - building space	10,691,069	-	-	10,691,069
Subscription assets	4,008,430	522,630	96,946	4,434,114
Total other capital assets at historical costs	493,757,679	14,368,506	1,712,313	506,413,872
Less accumulated depreciation:				
Buildings and improvements	89,120,105	4,979,375	5,376	94,094,104
Vehicles	39,207,862	3,058,821	217,681	42,049,002
Furniture and equipment	26,853,857	913,913	-	27,767,770
Streets	62,553,938	2,347,136	285,951	64,615,123
Bridges	4,157,950	908,750	-	5,066,700
Infrastructure	34,089,797	1,016,846	-	35,106,643
Lease - equipment	201,285	88,445	-	289,730
Lease - building space	2,883,284	961,095	-	3,844,379
Subscription assets	1,692,006	947,690	-	2,639,696
	260,760,084	15,222,071	509,008	275,473,147
Other capital assets, net	232,997,595	(853,565)	1,203,305	230,940,725
Governmental activities capital assets, net	\$ 336,731,881	\$ 49,814,070	\$ 8,382,162	\$ 378,163,789
	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Business-type activities:				
Land and improvements	\$ 1,921,723	\$ -	\$ -	\$ 1,921,723
Easements	142,325	-	-	142,325
Total capital assets not being depreciated	2,064,048	-	-	2,064,048
Other capital assets				
Buildings and improvements	1,867,045	-	-	1,867,045
Vehicles	5,613,671	679,847	52,249	6,241,269
Equipment	3,042,431	111,594	83,111	3,070,914
Infrastructure	178,356,858	6,850,174	-	185,207,032
Lease - equipment	182,648	4,356	-	187,004
Total other capital assets at historical costs	189,062,653	7,645,971	135,360	196,573,264
Less accumulated depreciation:				
Buildings and improvements	1,560,374	26,730	-	1,587,104
Vehicles	3,581,385	566,776	41,573	4,106,588
Equipment	2,795,228	49,956	83,111	2,762,073
Infrastructure	71,723,173	4,391,096	-	76,114,269
Lease - equipment	165,402	12,065	-	177,467
	79,825,562	5,046,623	124,684	84,747,501
Other capital assets, net	109,237,091	2,599,348	10,676	111,825,763
Business-type capital assets, net	\$ 111,301,139	\$ 2,599,348	\$ 10,676	\$ 113,889,811

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

(b) School Board Component Unit

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 982,889	-	-	\$ 982,889
Other capital assets:				
Buildings and improvements	59,473,244	-	-	59,473,244
Vehicles	510,002	-	-	510,002
Furniture and equipment	2,912,397	1,156,939	-	4,069,336
Total other capital assets at historical cost	62,895,643	1,156,939	-	64,052,582
Less accumulated depreciation:				
Buildings and improvements	44,157,213	1,298,348	-	45,455,561
Vehicles	247,119	51,441	-	298,560
Furniture and equipment	1,653,178	354,581	-	2,007,759
Total accumulated depreciation	46,057,510	1,704,370	-	47,761,880
Other capital assets, net	16,838,133	(547,431)	-	16,290,702
Governmental activities capital assets, net	<u>\$ 17,821,022</u>	<u>\$ (547,431)</u>	<u>\$ -</u>	<u>\$ 17,273,591</u>

(c) Allocation of Depreciation Expense

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

Governmental activities:	
General government	\$ 3,156,837
Public Safety	1,836,055
Community services	3,589,033
Health and welfare	100,432
Parks, recreation and culture	1,787,122
Education	1,004,570
Conservation and development	3,747,904
Information Technology	253
Total increase in accumulated depreciation - governmental	<u>\$ 15,222,206</u>
Business-Type activities:	
Water	\$ 1,795,723
Sewer	1,484,085
Gas	1,188,666
Stormwater	520,808
Golf	57,341
Total increase in accumulated depreciation - business type	<u>\$ 5,046,623</u>

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

School activities:

Instruction and instruction related	\$	1,005,577
Support services - student based		596,530
Administrative support services		<u>102,263</u>
	\$	<u>1,704,370</u>

(d) Tenancy in Common – School Board Capital Assets

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

9. LONG-TERM LIABILITIES

(a) City

At June 30, 2025, the City's long-term liabilities consisted of the following:

Governmental Activities	Interest Rate	Original Amount of Debt	Principal Amount Outstanding
General Obligation Bonds			
General improvement refunding, Series 2012	1.25-4.00	26,870,300	\$ 907,200
General Improvement, Series 2013	3.00-4.00	5,610,000	2,240,000
General improvement refunding, Series 2014	2.125-5.00	7,130,695	2,450,000
General improvement refunding, Series 2015	2.00-5.00	23,068,366	11,077,652
General improvement refunding, Series 2016	2.00-5.00	11,125,466	6,741,754
General Improvement, Series 2017	5.00	11,140,000	6,660,000
General Improvement, Series 2018	3.375-5.00	4,610,000	2,990,000
General Improvement, Series 2019	5.00	9,520,000	6,650,000
General Improvement, Series 2020	1.00-2.20	13,455,000	10,540,000
General Improvement, Series 2021	2.00-5.00	12,045,700	8,692,250
General Improvement, Series 2021B	1.08	4,285,165	2,447,217
General Improvement, Series 2022	4.00-5.00	18,350,000	15,590,000
General Improvement, Series 2023	3.39-4.89	14,470,000	13,015,000
General Improvement, Series 2024	5.00	51,950,000	49,360,000
Total			\$ 139,361,073
Insurance claims payable			3,850,886
Lease liability			7,100,939
Subscription liability			1,820,838
Compensated absences			12,192,442
Net pension liability			68,105,445
Net OPEB liability			3,642,063
Total*			<u>\$ 236,073,686</u>

*Amounts exclude unamortized premium amounts on bonds

Business Type Activities	Interest Rate	Original Amount of Debt	Principal Amount Outstanding
General Obligation Bonds			
General Obligation bonds, Series 2010(VRA)	2.93	5,030,409	\$ 1,778,827
General improvement refunding, Series 2012	1.25-4.00	7,224,700	362,800
General improvement, Series 2013	3.00-4.00	8,420,000	3,360,000
General improvement refunding, Series 2014	2.125-5.00	8,864,305	4,070,000
General improvement refunding, Series 2015	2.00-5.00	4,424,331	3,027,347
General Improvement refunding, Series 2016	2.00-5.00	1,754,534	1,218,246
General Improvement, Series 2017	5.00	2,680,000	1,570,000
General Improvement, Series 2018	3.375-5.00	6,125,000	3,965,000
General Improvement, Series 2019	5.00	6,310,000	4,175,000
General Improvement, Series 2020	1.00-2.20	10,545,000	8,420,000
General Improvement, Series 2021	2.00-5.00	8,759,300	6,537,750
General Improvement, Series 2021B	1.08	8,560,000	2,232,569
General Improvement, Series 2022	4.00-5.00	7,650,000	6,495,000
General Improvement, Series 2024	5.00	4,925,000	4,685,000
Total			\$ 51,897,539
Compensated absences			1,410,641
Lease liability			8,317
Net pension liability			7,769,794
Net OPEB liability			806,575
Total*			<u>\$ 61,892,866</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

*Amounts exclude unamortized premium amounts on bonds.

The Water, Sewer and Stormwater Funds are responsible for \$24,597,580; \$19,338,827; and \$7,961,132 respectively, of the Business-Type Activities bonds payable.

(b) School Board Component Unit

At June 30, 2025, the School Board's long-term liabilities consisted of:

Compensated absences	\$	9,301,878
Net pension liability		41,883,564
Net OPEB liability		9,775,201
Total	\$	<u>60,960,643</u>

(c) Changes in Long-Term Liabilities

The following is a summary of the long-term liabilities' transactions for the City and component units for the year ended June 30, 2025:

	Balance July 1, 2024	Restatements	July 1 2024 As Restated	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Governmental Activities:							
Bonds payable:							
General obligation bonds	\$ 99,530,872	\$ -	\$ 99,530,872	\$ 51,950,000	\$ 12,119,799	\$ 139,361,073	\$ 11,346,555
Unamortized premium	7,310,689	-	7,310,689	6,405,313	1,257,338	12,458,664	-
Total bonds payable	106,841,561	-	106,841,561	58,355,313	13,377,137	151,819,737	11,346,555
Insurance claims payable	2,904,325	-	2,904,325	946,561	-	3,850,886	3,850,886
Lease liability	8,090,814	-	8,090,814	60,523	1,050,398	7,100,939	1,061,593
Subscription liability	2,380,393	-	2,380,393	383,196	942,751	1,820,838	912,428
Compensated absences	3,302,032	6,989,494	10,291,526	2,267,063	366,147	12,192,442	1,463,093
Net pension liability	77,371,846	-	77,371,846	-	9,266,401	68,105,445	-
Net OPEB liability	4,928,730	-	4,928,730	-	1,286,667	3,642,063	-
Total governmental activities	\$ 205,819,701	\$ 6,989,494	\$ 212,809,195	\$ 62,012,656	\$ 26,289,501	\$ 248,532,350	\$ 18,634,555

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

Net pension liability and net OPEB liability measurement dates are both June 30, 2024.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Balance July 1, 2024	Restatements	July 1, 2024 As Restated	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Business Type Activities:							
Bonds payable:							
General obligation bonds	\$ 51,947,394	\$ -	\$ 51,947,394	\$ 4,925,000	\$ 4,974,855	\$ 51,897,539	\$ 4,815,007
Unamortized premium	4,009,604	-	4,009,604	593,291	611,762	3,991,133	-
Total bonds payable	55,956,998	-	55,956,998	5,518,291	5,586,617	55,888,672	4,815,007
Lease liability	16,153	-	16,153	4,354	12,190	8,317	2,469
Compensated absences	359,371	914,431	1,273,802	136,839	-	1,410,641	169,277
Net pension liability	8,663,771	-	8,663,771	-	893,977	7,769,794	-
Net OPEB liability	930,654	-	930,654	-	124,079	806,575	-
Total Business type activities	\$ 65,926,947	\$ 914,431	\$ 66,841,378	\$ 5,659,484	\$ 6,616,863	\$ 65,883,999	\$ 4,986,753

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

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

* There was opening balance adjustment compensated absences.

	Balance July 1, 2024	Restatements	July 1, 2024 As Restated	Additions	Reductions	Balance June 30, 2025	Due within one year
School Board:							
Compensated absences	2,905,047	5,216,731	8,121,778	4,520,905	3,340,804	9,301,879	1,116,225
Net OPEB Liability	10,133,013	-	10,133,013	-	357,812	9,775,201	-
Net pension liability	44,630,384	-	44,630,384	-	2,746,820	41,883,564	-
Total	\$ 57,668,444	\$ 5,216,731	\$ 62,885,175	\$ 4,520,905	\$ 6,445,436	\$ 60,960,644	\$ 1,116,225

Net pension and OEPB liability measurement date is June 30, 2024.

(d) Debt Compliance and Repayment

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

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

The City has no overlapping debt with other jurisdictions. At June 30, 2025, the City had a debt limit of \$1,169,003,260 which is 10% of assessed value of real property and a legal debt margin of \$950,105,919.

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

(e) General Obligation Public Improvement Bonds

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

(f) Prior Year Defeasance of Debt

In prior years, the City defeased general obligation public improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2025, there are no defeased bonds remaining outstanding.

(g) Debt Service Requirements to Maturity

General Obligations Bonds

Fiscal Year Ending June 30,	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 11,346,555	\$ 5,664,098	\$ 4,815,007	\$ 1,832,318
2027	11,171,539	5,179,931	4,810,826	1,643,314
2028	10,526,868	4,704,432	4,656,418	1,455,400
2029	9,981,660	4,259,155	4,512,668	1,273,550
2030	9,280,799	3,855,555	4,274,697	1,102,341
2031 - 2035	40,793,652	14,047,529	16,377,923	3,504,066
2035 - 2040	30,880,000	6,714,905	9,870,000	1,314,391
2041 - 2045	15,380,000	1,380,600	2,580,000	158,600
Total bonds	<u>\$ 139,361,073</u>	<u>\$ 45,806,205</u>	<u>\$ 51,897,539</u>	<u>\$ 12,283,980</u>

Lease Liability

Fiscal Year Ending June 30,	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,061,593	\$ 139,769	\$ 2,469	\$ 298
2027	1,065,967	116,584	2,463	193
2028	861,363	94,412	2,508	81
2029	657,828	79,056	877	6
2030	664,011	65,231		
2031- 2035	2,790,177	119,512		
Total lease	<u>\$ 7,100,939</u>	<u>\$ 614,564</u>	<u>\$ 8,317</u>	<u>\$ 578</u>

Subscription Liability

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 912,428	\$ 49,887
2027	569,499	22,339
2028	253,041	8,357
2029	63,374	2,085
2030	22,496	425
Total Subscription	<u>\$ 1,820,838</u>	<u>\$ 83,093</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

Because the City does not issue a separate financial report of the Defined Benefit Pension Plan, the City must report certain information for the plan as of, and for the year ended, June 30, 2025 which is the most recent measurement date for this plan. This information is disclosed below and in Exhibits F-1 and F-2. Investment information is disclosed in Note 3b to the financial statements.

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

Plan description. The City administers the Pension Plan, a single employer defined benefit plan for general and public safety employees. The Pension Plan provides retirement and disability benefits to eligible plan members and their beneficiaries. The plan is governed by City Council, as provided in Article II, IV and V of Chapter 19 of the City Code, 1990, as amended, of the City of Charlottesville and is an irrevocable trust fund. City Council may amend benefits and other plan provisions and is responsible for the management of plan assets. The Plan does not provide automatic annual increases (COLA) in benefits. The Pension Plan is considered a part of the City's Reporting Entity and is included in the City's financial statements as the Pension Trust Fund (Exhibits F-1 and F-2). There is no separately issued City Supplementary Retirement or Pension Plan report.

The Pension Plan covers all regular employees that work at least half time for at least 36 weeks per year. Employer contribution is determined annually based on actuarial valuation data. Plan members are entitled to an annual retirement benefit, payable monthly for life. Public safety employees include sworn police and sheriff officers and fire fighters. Employees hired *before* July 1, 2012, employees hired on *or after* July 1, 2012, and employees hired on *or after* July 1, 2017 have different pension provisions and employee contribution rates as follows:

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

Membership in the City's Pension Plan consists of the following at June 30, 2025, according to the most recent actuarial valuation:

	City Members	JMRL Members	CACVB Members
Retirees and beneficiaries currently receiving benefits	727	50	4
Vested terminated employees	379	10	4
Current employees:			
Vested	509	15	-
Nonvested	237	-	-
Total	1,852	75	8

Contributions. The contribution requirements of plan members and the City are established and may be amended by City Council. Plan members hired before July 1, 2012 are required to contribute 1% of base pay, (annual covered salary) members hired on or after July 1, 2012 must contribute 3% of base pay, and members hired on or after July 1, 2017 must contribute 5% of base pay for the Pension. The City's contribution rates are actuarially determined and consist of current costs plus amortization of prior service costs. The contribution rates for 2025 are based on the July 1, 2023, actuarial report. The general employee contribution rate for 2025 was 21.10% and the public safety contribution rate was 36.89%.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

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

Mortality rates. Healthy Lives –Pub-2010 table, fully generational, projected with scale AA; Disabled Lives – Pub-2010 table, fully generational, projected with scale AA, set forward 5 years for males and females.

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

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Total Pension Liability:	\$255,205,197	\$249,836,159
Fiduciary Net Position:	\$194,520,867	\$172,688,294
Net Pension Liability:	\$60,684,330	\$77,147,865
Fiduciary Net Position as a Percentage of Total Pension Liability:	76.2%	69.1%

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

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

ended June 30, 2025 was 11.65%. The investment return on the smoothed value of assets (actuarial value of assets) was 5.61%. The expected rate of return was 7.50%. The actuarial value of net assets, which is used to determine the City's contribution rate for the following fiscal year, is determined using a method that is designed to smooth the impact of market fluctuations. Unlike the market value, which immediately reflects all investment gains and losses during the year, the smoothed fair value recognizes annual appreciation and depreciation over a four-year period. Actual earnings are dividends, interest, or sales of investments, projected, or unrealized returns, are market value of investments.

Asset Class	Allocation	Real Rate of Return
Domestic Equity:	50.0%	9.6%
Large Cap	30.0%	9.7%
Mid Cap	12.5%	9.1%
Small Cap	7.5%	7.7%
International equity	10.0%	5.6%
Emerging equity	5.0%	6.9%
Real estate	10.0%	3.9%
Farmland	5.0%	8.6%
Fixed income	20.0%	0.8%
Total	100%	11.3%

Pension Trust Fund on June 30, 2025, Combining Statement of Net Position and Statement of Changes in Net Position:

	Retirement Fund June 30, 2025	Post-Retirement Benefits Fund June 30, 2025	Total Pension Trust June 30, 2025
Assets			
Cash and cash equivalents	\$ 11,301,993	\$ 3,869,654	\$ 15,171,647
Interest receivable	272,745	95,833	368,578
Investments			-
Common stocks	64,648,154	22,715,158	87,363,312
Corporate fixed income securities	9,936,483	3,491,342	13,427,825
Government and agency fixed income securities	16,807,657	5,905,638	22,713,295
Mutual Funds			
Domestic	42,188,781	14,823,698	57,012,479
International	25,249,716	8,871,888	34,121,604
Alternative investments			
Agriculture	10,286,562	3,614,346	13,900,908
Real estate	14,406,789	5,062,054	19,468,843
Total investments	183,524,142	64,484,124	248,008,266
Total assets	195,098,880	68,449,611	263,548,491
Liabilities			
Accounts payables	77,523	27,239	104,762
Net Position			
Held in trust for pension benefits and other purposes	\$ 195,021,357	\$ 68,422,372	\$ 263,443,729

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Retirement Fund June 30, 2025	Post-Retirement Benefits Fund June 30.2025	Total Pension Trust June 30, 2025
ADDITIONS			
Contributions:			
Employer	\$ 17,981,787	\$ 1,899,475	\$ 19,881,262
Plan members	1,614,979	939,415	2,554,394
Total contributions	19,596,766	2,838,890	22,435,656
Investment earnings:			
Net increase in fair value of investments	17,641,143	6,337,583	23,978,726
Interest	1,164,050	418,186	1,582,236
Dividends	1,027,471	369,120	1,396,591
Total investment earnings	19,832,664	7,124,889	26,957,553
Less investment expenses	(723,858)	(260,046)	(983,904)
Net investment earnings	19,108,806	6,864,843	25,973,649
Total additions	38,705,572	9,703,733	48,409,305
DEDUCTIONS			
Pension benefits	15,885,374	-	15,885,374
Refund of plan member contributions	216,381	-	216,381
Post retirement benefits	-	4,739,514	4,739,514
Administrative expenses	270,752	105,668	376,420
Total deductions	16,372,507	4,845,182	21,217,689
Change in net position	22,333,065	4,858,551	27,191,616
Net position as of July 1, 2024	172,688,292	63,563,821	236,252,113
Net position as of June 30, 2025	<u>\$ 195,021,357</u>	<u>\$ 68,422,372</u>	<u>\$ 263,443,729</u>

11. CITY OF CHARLOTTESVILLE - NET PENSION LIABILITY

As described in Note 10, the City offers a Defined Pension plan to certain employees. As permitted by GASB 68, the pension-related assets, liabilities and other financial statement elements recorded in the accompanying basic financial statements for June 30, 2025 are based on a pension plan measurement date of June 30, 2024.

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

Contributions. The contribution requirements of plan members and the City are described in Note 10. The contribution rates for 2024 are based on the July 1, 2023, actuarial report. The general employee contribution rate for 2024 was 28.00% and the public safety contribution rate was 51.28%.

Actuarial methods and assumptions. The actuarial determined contribution (ADC) for the plan was determined as part of the July 1, 2020 actuarial valuation using the following methods and assumptions:

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

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

Net pension liability. The City's 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, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The following chart is for the plan as a whole. The City's portion of the plan is 98.35%.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at June 30, 2023	\$ 234,235,672	\$ 145,633,425	\$ 88,602,247
Changes for the year:			
Service cost	2,503,590	-	2,503,590
Interest	16,974,462	-	16,974,462
Differences between expected and actual experience	12,232,695	-	12,232,695
Changes of assumptions	-	-	-
Contributions - employer	-	25,134,883	(25,134,883)
Contributions - employee	-	1,377,849	(1,377,849)
Net investment income	-	16,937,534	(16,937,534)
Benefit payments, including refunds of employee contributions	(16,110,260)	(16,110,260)	-
Other	-	-	-
Administrative expense	-	(285,137)	285,137
Net Changes	15,600,487	27,054,869	(11,454,382)
Balance at June 30, 2024	<u>\$ 249,836,159</u>	<u>\$ 172,688,294</u>	<u>\$ 77,147,865</u>

Changes in Net Pension Liability per participating entity:

	City Net Pension Liability	JMRL Net Pension Liability	All Entities Net Pension Liability
Balance at June 30, 2023	\$ 86,035,617	\$ 2,566,630	\$ 88,602,247
Employer Contributions	(24,718,959)	(415,924)	(25,134,883)
Expense	16,480,120	(671,727)	15,808,393
Change in deferred outflow of resources	(3,120,705)	(388,143)	(3,508,848)
Change in deferred inflow of resources	1,195,149	185,807	1,380,956
Balance at June 30, 2024	<u>\$ 75,871,222</u>	<u>\$ 1,276,643</u>	<u>\$ 77,147,865</u>

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

	1.00% Lower 6.5%	Current Discount Rate: 7.5%	1.00% Higher 8.5%
Net Pension Liability	\$105,432,258	\$77,147,865	\$56,460,001

Information on the annual money-weighted rate of return for 2025 is found in Note 3b and Exhibit I-1.
City Changes in deferred inflows and outflows:

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Prior years difference between expected and actual	\$ 18,560,490	\$ 493,966
Prior years changes in proportion and differences between contributions	(1,985,174)	131,592
Prior years impact of change in proportion on beginning NPL	3,169,896	1,124,448
Prior years difference between expected and actual investment earnings	35,482,353	36,731,158
Prior years changes in assumptions	18,248,033	-
Prior years amortization	(47,669,107)	(25,740,820)
Current year amortization	(11,326,096)	(5,724,180)
Differences between expected and actual experience	7,909,134	-
Impact of change in proportion on beginning NPL	1,100,440	-
Difference between expected and actual investment earnings	-	4,379,211
Changes in assumptions	-	-
Changes in proportion and difference between employer contribution and proportionate share of contribution	(813,941)	145,803
Employer contributions subsequent to the measurement date	17,073,768	-
	<u>\$ 39,749,796</u>	<u>\$ 11,541,178</u>

Deferred outflows of resources amounting to \$17,073,768 resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:	
2026	(2,785,148)
2027	(2,785,148)
2028	(2,785,148)
2029	(2,785,148)
Thereafter:	-
	<u>\$ (11,140,592)</u>

12. CITY OF CHARLOTTESVILLE - DEFINED CONTRIBUTION PENSION PLAN

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

All new hires are given a one-time option to choose either the Pension Plan or the DC Plan when they are hired. Under the DC Plan, the city contribution rate is 8% of the employee's base salary to their individual ICMA-RC account. There is no employee contribution required. Employees determine how their account balance is invested from a range of available options. DC Plan contributions vest ratably over a three-year period. If the employee leaves the city before they are fully vested, part of the account balance may be forfeited. Forfeitures by policy are used to pay plan related expenses. There are no forfeitures reflected in pension expenses during the reporting period and no employer liability is outstanding to ICMA-RC at June 30, 2025.

At June 30, 2025, there were 394 active City employees and a total of 624 participants, including terminated employees enrolled in the DC Plan. During the year, the City contributed a total of \$1,443,798 for active employees.

There is also a separate defined contribution plan for senior management to which the City contributes. For the year ended June 30, 2025, a total of \$659,889 was contributed for 19 active senior management employees. The City contribution rate is 19.5% of eligible compensation.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

Membership in the City's OPEB Plan consists of the following at June 30, 2025, the date of the most recent actuarial valuation:

	<u>City</u>	<u>JMRL</u>	<u>CACVB</u>
Inactive plan members or beneficiaries currently receiving benefit payments	499	49	4
Inactive plan members entitled to but not yet receiving benefit payments	-	-	-
Active plan members	1,016	104	-
Total	1,515	153	4

Funding policy. The contribution requirements for current and future Pension Plan members are established and may be amended by City Council. The city contribution is determined annually by City Council. Pension Plan members hired before December 3, 2002, received 100% of the city contribution towards the cost of medical and dental insurance. For Pension Plan Members hired on or after December 3, 2002, the city contribution toward the cost of medical and dental insurance is pro-rated based on vesting requirements and years of creditable service. Pension Plan members must pay for family members at their own expense. Surviving spouses of Pension Plan members may elect to continue health care benefits at their own expense. Life insurance is provided at no direct cost to the plan members. Defined Contribution Plan senior management is eligible for the same OPEB benefits as Pension Plan members. Defined Contribution Plan members may be eligible for access to continue medical and dental benefits. The City does not pay any of the costs. The DC Plan member is not eligible for life insurance benefits. The contribution rates for 2025 are based on the July 1,

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2023, actuarial report. The general employee contribution rate is 2.48% and the public safety contribution rate is 4.65%.

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

The annual required contribution (ARC) was determined as part of the July 1, 2024 actuarial valuation using the following methods and assumptions:

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

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

Net OPEB Liability. Under GASB 74, the Net OPEB Liability is the excess, if any, of the Total OPEB Liability over the Fiduciary Net Position. The Total OPEB Liability is determined under the Entry Age actuarial cost method. The Net OPEB Liability as of June 30, 2025 and June 30, 2024 is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Total OPEB Liability	\$ 73,498,954	\$ 68,135,421
Fiduciary Net Position	68,348,011	63,563,821
Net OPEB Liability	<u>\$ 5,150,943</u>	<u>\$ 4,571,600</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	92.99%	93.29%

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

	1.00% Lower 6.5%	Current Discount Rate: 7.5%	1.00% Higher 8.5%
Net OPEB Liability	\$13,847,456	\$5,150,943	\$(2,123,520)

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

	1.00% Lower 6.5%	Current Trend Rate: 7.5%	1.00% Higher 8.5%
Net OPEB Liability	\$(978,636)	\$5,150,943	\$12,393,701

Long-term expected rate of return. The investment return of the trust fund (i.e. total return including both realized and unrealized gains and losses) based on the market value of assets for the fiscal year ended June 30, 2025 was 11.65%. The investment return on the smoothed value of assets (actuarial value of assets) was 7.50%. The expected rate of return was 7.50%. The actuarial value of net assets, which is used to determine the City's contribution rate for the following fiscal year, is determined using a method that is designed to smooth the impact of market fluctuations. Unlike the market value, which immediately reflects all investment gains and losses during the year, the smoothed fair value recognizes annual appreciation and depreciation over a four year period.

Asset Class	Allocation	Real Rate of Return
Domestic equity:		
Large Cap	30.0%	9.6%
Mid Cap	12.5%	9.8%
Small Cap	7.5%	8.4%
International equity	10.0%	5.8%
Emerging equity	5.0%	7.7%
Real estate	10.0%	4.4%
Farmland	5.0%	9.8%
Fixed income	20.0%	0.9%
Total	100%	11.6%

14. CITY OF CHARLOTTESVILLE - NET OPEB LIABILITY

As described in Note 13, the City administers the OPEB plan. As permitted by GASB 75, the OPEB related assets, liabilities and other financial statement elements recorded in the accompanying basic financial statements for June 30, 2025 are based on an OPEB plan measurement date of June 30, 2024.

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>City</u>	<u>JMRL</u>	<u>CACVB</u>
Inactive plan members or beneficiaries currently receiving benefit payments	504	43	5
Inactive plan members entitled to but not yet receiving benefit payments	-	-	-
Active plan members	1,004	116	-
Total	1,508	159	5

Contributions. The contribution requirements of plan members and the City are described in Note 13. The contribution rates for 2024 are based on the July 1, 2022, actuarial report. The general employee contribution rate for 2024 was 1.82% and the public safety contribution rate was 4.81%.

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

The annual required contribution (ARC) was determined as part of the July 1, 2024 actuarial valuation using the following methods and assumptions:

<u>Method</u>	<u>Assumption</u>
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll
Amortization period	20 years, closed
Asset valuation method	Market value of assets
Investment return including inflation	7.5%
Projected salary increases	2.00-5.00%
Assumed inflation rate	2.0%
Cost of living adjustment	None
Healthcare cost trend rate	Medical trend 5.0-8.0%, Dental trend 4.0%

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

Net OPEB liability. The City’s net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of July 1, 2024, using updated actuarial assumptions, applied to all periods included in the

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

measurement and rolled forward to the measurement date of June 30, 2024. The following chart is for the plan as a whole. The City's portion of the plan is 97.31%.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balance at June 30, 2023	\$ 62,812,951	\$ 56,742,510	\$ 6,070,441
Changes for the year:			
Service cost	797,173	-	797,173
Interest	4,596,564	-	4,596,564
Differences between expected and actual experience	4,176,074	-	4,176,074
Changes of assumptions	397,854	-	397,854
Contributions - employer	-	4,166,962	(4,166,962)
Contributions - employee	-	1,013,716	(1,013,716)
Net investment income	-	6,401,800	(6,401,800)
Benefit payments, including refunds of employee contributions	(4,645,195)	(4,645,195)	-
Other	-	-	-
Administrative expense	-	(115,972)	115,972
Net Changes	5,322,470	6,821,311	(1,498,841)
Balance at June 30, 2024	<u>\$ 68,135,421</u>	<u>\$ 63,563,821</u>	<u>\$ 4,571,600</u>

Changes in Net OPEB Liability per participating entity:

	City Net OPEB Liability	JMRL Net OPEB Liability	All Entities Net OPEB Liability
Balance at June 30, 2023	\$ 5,859,384	\$ 211,057	\$ 6,070,441
Employer Contributions	(4,054,882)	(112,080)	(4,166,962)
Expense	(5,283,398)	(270,253)	(5,553,651)
Change in deferred outflow of resources	(827,348)	(92,892)	(920,240)
Change in deferred inflow of resources	8,754,882	387,130	9,142,012
Balance at June 30, 2024	<u>\$ 4,448,638</u>	<u>\$ 122,962</u>	<u>\$ 4,571,600</u>

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

	1.00% Lower 6.5%	Current Discount Rate: 7.5%	1.00% Higher 8.5%
Net OPEB Liability	\$12,535,137	\$4,571,600	(\$2,108,522)

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

City Changes in deferred inflows and outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Changes in deferred inflows and outflows:		
Prior years difference between expected and actual	\$ 136,560	\$ 24,606,865
Prior years changes in proportion and differences between contributio	(1,357,979)	35,831
Prior years impact of change in proportion on beginning NOL	1,459,768	130,273
Prior years difference between expected and actual investment earnin	10,177,614	10,401,410
Prior years changes in assumptions	2,782,840	-
Prior years amortization	(4,842,677)	(17,854,314)
Current year amortization	(3,862,757)	(10,554,584)
Differences between expected and actual experience	2,708,169	-
Impact of change in proportion on beginning NOL	47,780	-
Difference between expected and actual investment earnings	-	1,658,464
Changes in assumptions	258,102	
Changes in proportion and difference between employer contribution :		
proportionate share of contribution	20,361	141,238
Employer contributions subsequent to measurement date	1,786,115	-
	<u>\$ 9,313,896</u>	<u>\$ 8,565,183</u>

Deferred outflows of resources amounting to \$1,786,115 resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Year Ending June 30:

2026	(259,101)
2027	(259,101)
2028	(259,101)
2029	(259,102)
Thereafter	-
	<u>(1,036,405)</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

15. PENSION LIABILITIES – SCHOOL BOARD

School Board Component Unit – Virginia Retirement System (VRS)

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

School Board Teachers Cost Sharing Plan

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

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

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

The School Board’s contractually required rate for the year ended June 30, 2025 was 14.21% of covered teacher compensation. This rate was based on the actuarially determined rate from an actuarial valuation prepared as of June 30, 2023. This actuarially determined rate, when combined with teacher contributions, was expected to finance the costs of the benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the *Code of Virginia*, as amended, the contributions may be impacted

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

as a result of funding provided to school divisions by the VA General Assembly. Contributions to the pension plan from the School Board were \$7,337,010 and \$7,525,510 for the years ended June 30, 2025 and 2024, respectively.

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

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

At June 30, 2025, the School Board reported a liability of \$41,883,564 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on the School Board's actuarially determined employer contributions to the Plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating teachers. At June 30, 2025 the School Board's proportion was 0.45257% as compared to 0.44629% at June 30, 2024.

For the year ended June 30, 2025, the School Board recognized teacher pension expense of \$3,356,702. Since there was a change in the proportionate share between measurement dates, a portion of the pension expense was related to the deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of the employer contributions. Beginning with the June 30, 2022, measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2025 the School Board reported deferred outflows and deferred inflows of resources related to teacher pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
School Board Changes in deferred inflows and outflows:		
Differences between expected and actual experience	\$ 7,266,208	\$ 862,412
Net Difference between projected and actual earnings on plan investments	-	5,765,298
Change in assumptions	760,243	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	360,285	1,815,863
Employer contributions subsequent to measurement date	7,337,010	-
	<u>\$ 15,723,746</u>	<u>\$ 8,443,573</u>

Deferred outflows of resources amounting to \$7,337,010 related to teachers' pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ending June 30, 2025.

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Year Ending June 30:

2026	\$ (3,398,950)
2027	3,196,196
2028	602,354
2029	(456,437)
2030	-
Total	<u>\$ (56,837)</u>

Actuarial assumptions. The total pension liability for the teachers' pension 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:

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

Mortality rates:

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

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

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

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

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

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

Mortality Rates (Pre-retirement, post-retirement health, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Net Pension Liability The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan	
Total Pension Liability	\$	60,622,260
Plan Fiduciary Net Position		51,235,326
Employers' Net Pension Liability (Asset)	\$	<u>9,386,934</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		
		84.52%

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

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	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%
Diversity Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
Expected arithmetic nominal return			<u>7.07%</u>

The above allocation provides a one-year expected return of 7.07% (Includes 2.5% 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. 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 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%

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.00% Decrease 5.75%	Current Discount Rate: 6.75%	1.00% Increase 7.75%
Teacher Net Pension Liability	\$77,811,452	\$41,883,564	\$12,459,766

Pension Plan Fiduciary Net Position. Detailed information about the VRS Teacher Retirement 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.

School Board Non-Professional Pension Plan

Plan Description. All full-time, salaried permanent employees, who are not teachers, are automatically enrolled in VRS upon employment. Benefits vest after five years of service credit and are eligible to retire with an unreduced or reduced benefit when they meet the age and service requirements of the plan. Members can earn one month of service credit for each month they are employed, and contributions are deposited into the VRS. Members are eligible to purchase prior public service, active-duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

The retirement benefit for employees who became members before July 1, 2010, and were vested before January 1, 2013 (Plan 1 members) is based on the average of the highest 36 consecutive months of compensation as a covered employee. The retirement benefit for employees who became members on or after July 1, 2010, or they were not vested as of January 1, 2013 (Plan 2 members) is based on the average of the highest 60 consecutive months of compensation as a covered employee. The retirement multiplier for the creditable service purchased or granted before January 1, 2013, for Plan 1 members is 1.70%. The retirement multiplier for the creditable service purchased or granted prior to January 1, 2013, for Plan 2 members is 1.65%. The normal retirement age is 65 for Plan 1 members and Normal Social Security Retirement age for Plan 2 members. Plan 1 members must be 65 and have at least 5 years of creditable service, or age 50 with at least 30 years of creditable

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

service to receive unreduced benefits. Plan 2 members must retire at the Normal Social Security Retirement Age with at least 5 years of creditable service or the sum of their age at retirement plus the years of creditable service equals 90 in order to receive an unreduced benefit. Early retirement age for Plan 1 members is 55 with at least 5 years, or age 50 with at least 10 years of creditable service. Early retirement age for Plan 2 members is 60 with at least 5 years of creditable service. The Cost-of-Living Adjustment (the "COLA") for Plan 1 members matches the first 3% increase in the Urban Consumers Consumer Price Index (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. The COLA for Plan 2 members matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.

Employees covered by benefit terms. The following employees were covered by the benefit terms of the Plan as of the June 30, 2023 actuarial valuation:

Inactive members or beneficiaries currently receiving benefits	122
Inactive employees entitled to but not yet receiving benefits	
Retirees and Beneficiaries	56
Vested	15
Non-vested	36
Vested elsewhere	15
Active elsewhere on VRS	14
Total inactive	136
Active employees	59
Total covered employees	195

Contributions. The Contribution requirement for active employees is governed by Section 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.0% of their compensation toward their retirement. Prior to July 1, 2012, all, or part of the 5.0% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5.0% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the member contribution. This could be phased in over a period of five years if the employer provided a salary increase equal to the amount of the increase in the employee-paid member contribution.

The School Board's contractually required employer contribution rate for the year ended June 30, 2025 was 0% of covered employee compensation. This rate was based on the actuarially determined rate from an actuarial valuation prepared as of June 30, 2023. This rate, when combined with employee contributions, was expected to finance the costs of the benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school Board were \$0 and \$0, for the years ended June 30, 2024 and 2023, respectively.

Net pension liability. The School Board's 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, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Actuarial assumption. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

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

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

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

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

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

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related.

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

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

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

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

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

The actuarial assumptions used in the June 30, 2024, valuation was based on the results of an actuarial experience study for the period for 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:

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, postretirement health, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (Pre-retirement, postretirement health, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP 2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rates	No change
Line of Duty Disability	No change

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

Asset Class (Strategy)	Long-Term Target Asset 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 Partner	1.00%	8.00%	0.08%
Diversity 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%

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

The above allocation provides a one-year expected return of 7.07% (Includes 2.5% 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%

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

Changes in Net Pension Liability:	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a-b)
Balance at June 30, 2023	\$ 10,802,656	\$ 12,766,899	\$ (1,964,243)
Changes for the year:			
Service cost	184,294	-	184,294
Interest	715,018	-	715,018
Differences between expected and actual experience	125,440	-	125,440
Contributions - employee	-	107,234	(107,234)
Net investment income	-	1,211,888	(1,211,888)
Benefit payments, including refunds of employee contributions	(788,195)	(788,195)	-
Administrative expense	-	(8,519)	8,519
Other changes	-	(781)	781
Net Changes	236,557	521,627	(285,070)
Balances at June 30, 2024	\$ 11,039,213	\$ 13,288,526	\$ (2,249,313)

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

	1.00% Lower 5.75%	Current Discount Rate: 6.75%	1.00% Higher 7.75%
Net Pension Liability	\$(1,096,697)	\$(2,249,313)	\$(3,215,571)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2025 the School Board recognized pension expense of

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

\$(166,422). The School Board reported deferred outflows and deferred inflows of resources related to pensions from the following sources at June 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 79,757	\$ -
Net Difference between projected and actual earnings on plan investments	-	363,647
	<u>\$ 79,757</u>	<u>\$ 363,647</u>

Deferred outflows of resources amounting to \$0 resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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: 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,	
2026	\$ (261,750)
2027	119,593
2028	(67,051)
2029	(74,682)
2030	-
Total	<u>\$ (283,890)</u>

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

School Board Component Unit – Post-Employment Medical Plan Subsidy

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

Membership in the School's Local OPEB Plan consists of the following at June 30, 2025, the date of the most recent actuarial valuation:

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

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

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

<u>Method</u>	<u>Assumption</u>
Actuarial cost method	Entry Age Actuarial Cost Method
Salary scale	2.50%
Discount rate	3.97%
Investment return	None
Healthcare cost trend rate	5.80% FYE 2023, then 7.50% for fiscal year 2024, declining to ultimate rate of 3.94% in fiscal year 2075

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

Net OPEB Liability. Under GASB 74, the Net OPEB Liability is the excess, if any, of the Total OPEB Liability over the Fiduciary Net Position. The Total OPEB Liability is determined under the Entry Age actuarial cost method. The Net OPEB Liability as of June 30, 2025, and June 30, 2024, is as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Total OPEB Liability	\$ 2,412,334	\$ 2,326,650
Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 2,412,334</u>	<u>\$ 2,326,650</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	0.0%	0.0%

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual experience	\$ 118,363	\$ (318,500)
Changes in assumptions	136,000	(861,062)
Employer contributions subsequent to the measurement date	153,947	-
	<u>\$ 408,310</u>	<u>\$ (1,179,562)</u>

Deferred outflows of resources amounting to \$153,947 resulting from the contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Year Ending June 30,	
2026	\$ (122,836)
2027	(122,836)
2028	(122,836)
2029	(122,836)
2030	(122,836)
Thereafter	\$ (311,019)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The liability has been calculated using a 3.97% discount rate. The table below presents the net OPEB liability for the School calculated using the discount rate of 3.97%, as well as what it would be at a discount rate 1.00% lower and 1.00% higher.

	1.00% Lower 2.97%	Current Discount Rate: 3.97%	1.00% Higher 4.97%
Net OPEB Liability	\$2,574,979	\$2,412,334	\$2,259,023

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

	1.00% Lower 3.04%	Current Trend Rate: 4.04%	1.00% Higher 5.04%
Net OPEB Liability	\$2,276,362	\$2,412,334	\$2,573,820

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

Plan Descriptions.

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

Contributions. Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2022. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<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	\$242,674 for teachers and \$12,515 for school board nonprofessionals
June 30, 2024 Contribution	\$257,616 for teachers and \$12,892 for school board nonprofessionals

Teacher Health and Nonprofessional Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% for teachers and .93% for school board nonprofessionals.
June 30, 2025 Contribution	\$624,756 for Teachers and \$24,700 for school board nonprofessionals.
June 30, 2024 Contribution	\$557,858

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

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:

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

As of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	HIC Teacher	GLI
Total OPEB Liability	\$ 1,478,105	\$ 4,196,055
Plan Fiduciary Net Position	322,457	3,080,133
Net OPEB Liability	<u>\$ 1,155,648</u>	<u>\$ 1,115,922</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	21.82%	73.41%

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

Asset Class (Strategy)	Long-Term Target Asset 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 Partnerships	1.00%	8.00%	0.08%
Diversity Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
	Expected arithmetic nominal return		<u>7.07%</u>

The above allocation provides for a one-year expected return of 7.07% (Includes 2.5% 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 2.5%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Net OPEB Liability As permitted by GASB 75, the OPEB related assets, liabilities and other financial statement elements recorded in the accompanying basic financial statements for June 30, 2025 are based on a measurement date of June 30, 2024.

	GLI Teacher	GLI - Non	HIC-Prof	HIC - non
Employer's Proportion of the Net GLI/HIC OPEB Liability (Asset)	0.18599%	0.00930%	0.44575%	0.00000%
Employer's Proportionate Share of the Net GLI/HIC OPEB Liability (Asset)	2,075,503	103,781	5,151,301	32,282
Employer's Covered Payroll	51,632,719	2,662,766	51,632,719	2,655,926
Employer's Proportionate Share of the Net GLI/HIC				
OPEB Liability (Asset) as a Percentage of its Covered	4.02%	3.90%	9.98%	1.22%
Plan Fiduciary Net Position as a Percentage of the Total GLI/HIC OPEB Liabilit	73.41%	73.41%	21.82%	21.82%

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	GLI - Teacher	
	Deferred Outflows of Resources	Deferred Inflows of Resources
School Board Changes in deferred inflows and outflows:		
Differences between expected and actual experience	\$ 363,498	\$ 50,698
Net Difference between projected and actual earnings on plan investments	-	174,943
Change in assumptions	11,830	102,858
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,498	155,270
Employer contributions subsequent to measurement date	242,674	-
	<u>\$ 619,500</u>	<u>\$ 483,769</u>

	GLI - Non-teacher	
	Deferred Outflows of Resources	Deferred Inflows of Resources
School Board Changes in deferred inflows and outflows:		
Differences between expected and actual experience	\$ 18,215	\$ 2,535
Net Difference between projected and actual earnings on plan investments	-	8,748
Change in assumptions	592	5,143
Changes in proportion and difference between employer contributions and proportionate share of contributions	168	10,123
Employer contributions subsequent to measurement date	12,515	-
	<u>\$ 31,490</u>	<u>\$ 26,549</u>

	HIC - Non-teacher	
	Deferred Outflows of Resources	Deferred Inflows of Resources
School Board Changes in deferred inflows and outflows:		
Differences between expected and actual experience	\$ -	\$ 96,745
Net Difference between projected and actual earnings on plan investments	-	911
Change in assumptions	3,856	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to measurement date	24,700	-
	<u>\$ 28,556</u>	<u>\$ 97,656</u>

	HIC - Teacher	
	Deferred Outflows of Resources	Deferred Inflows of Resources
School Board Changes in deferred inflows and outflows:		
Differences between expected and actual experience	\$ -	\$ 244,056
Net Difference between projected and actual earnings on plan investments	-	18,323
Change in assumptions	88,742	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	28,197	304,156
Employer contributions subsequent to measurement date	624,756	-
	<u>\$ 741,695</u>	<u>\$ 566,535</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

The deferred outflows of resources related to GLI and HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

GLI - Teacher		GLI - Non-teacher	
Year ending June 30:		Year ending June 30:	
2026	(135,903)	2026	(7,386)
2027	(6,647)	2027	(996)
2028	(25,152)	2028	(1,696)
2029	(4,330)	2029	(123)
2030	28,947	2030	780

HIC - Teacher		HIC - Non-teacher	
Year ending June 30:		Year ending June 30:	
2026	(106,203)	2026	(34,131)
2027	(89,953)	2027	(37,491)
2028	(109,833)	2028	(19,721)
2029	(87,368)	2029	(2,457)
2030	(50,704)	2030	-
Thereafter:	(5,537)	Thereafter:	-

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

	HIC Teacher Retirement Plan	
Total OPEB Liability	\$	1,478,105
Plan Fiduciary Net Position		322,457
Employers' Net OPEB Liability (Asset)	\$	<u>1,155,648</u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	21.82%
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CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the School Board for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2023 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
	5.75%	6.75%	7.75%
GLI - Teacher Net OPEB Liability	3,227,677	2,075,403	1,144,698
GLI - Non-teacher Net OPEB Liability	161,393	103,781	57,238
HIC - Teacher Net OPEB Liability	5,858,314	5,151,301	4,552,043
HIC - Non-teacher Net OPEB Liability	42,412	32,282	23,691

Summary of entity wide Net OPEB Liability:

GLI - Teacher	GLI - Non-teacher	HIC - Teacher	HIC - Non-teacher	Local	Total OPEB Liability
2,075,403	103,781	5,151,301	32,282	2,412,334	9,775,101

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (ACFR). A copy of the 2024 VRS ACFR 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.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

17. REVENUE SHARING AGREEMENT

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

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

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

1. The City and County are consolidated into a single political subdivision, or
2. The concept for independent cities presently existing in Virginia is altered by State law in such a manner that real property in the City becomes a part of the County's tax base, or
3. The City and County mutually agree to cancel or change the agreement.

During the fiscal year, the County paid \$17,760,728 to the City as a result of this agreement, which is recorded in intergovernmental revenues.

18. JOINT VENTURES

(a) Rivanna Water and Sewer Authority

The City is a participant with the Albemarle County Service Authority (ACSA) in a joint venture to provide water and wastewater treatment services to City residents and residents in certain areas of Albemarle County. The Rivanna Water and Sewer Authority (RWSA) was created for that purpose. RWSA is governed by a seven-member board composed of City Manager, City Director of Public Works, a Charlottesville City Councilor, an Albemarle County Executive, an Albemarle County Supervisor, and the Executive Director of ACSA, as well as a seventh member who is appointed by concurrent action of the City and County. The City and ACSA have agreed to purchase water and wastewater treatment services for all their customers solely from RWSA, at rates established to cover the operating and debt costs of RWSA, until June 30, 2013. Beginning in November of 2015, RWSA began charging each locality a fixed monthly amount to cover the debt portion owed by each locality. For the year ended June 30, 2025, the City paid a total of \$18,571,724 to RWSA. Complete, audited financial statements for RWSA can be obtained at their administrative offices at 200 Franklin Street, Charlottesville, Virginia 22902.

(b) Rivanna Solid Waste Authority

The City is a participant with Albemarle County in a joint venture to provide drop off recycling services at the McIntire Recycling Center on McIntire Rd. The City and County also entered into a Cost Sharing Agreement for purposes of paying any of the post-closure care and corrective action costs related to the old Ivy Landfill in the event the Rivanna Solid Waste Authority would not have the financial resources to pay such costs. Although the City entered into a Local Government Guarantee on behalf of the Rivanna Solid Waste Authority, the Virginia Department of Environmental Quality (DEQ) has no legal recourse against the City under this guarantee. The City's percentage of these shared costs is 35.5% of the total. The City share of the local guarantee for the 2024 calendar year and for fiscal year 2025 is \$604,234. Annual certificates must be filed every December 30th to DEQ. Complete, audited financial statements for RSWA can be obtained at their administrative offices at 200 Franklin Street, Charlottesville, Virginia 22902.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

(c) Jefferson-Madison Regional Library

The City and several neighboring counties joined together to form a regional library system for the use of their respective residents. The Jefferson-Madison Regional Library (JMRL) is governed by an eleven-member board, four of whom are appointed by the City. The participating localities share the operating costs of JMRL on the basis of the prior year's book circulation. The City contributed \$2,227,365 to JMRL for the year ended June 30, 2025. Complete, audited financial statements for JMRL can be obtained at their administrative offices at 201 East Market Street, Charlottesville, Virginia 22902.

(d) Charlottesville – Albemarle Regional Jail

The City and Albemarle County share the costs of operating a regional jail. The Jail is governed by a seven-member board, three of whom are appointed by the City (with one member being ex-officio), three by the County, and one jointly appointed citizen. Under the terms of the operating agreement, either the City or the County can terminate the contract with sixty days' notice. The City and County share the costs of operating the Jail (net of any reimbursements from the Federal, State and other local governments) on the ratio of City and County prisoner days of utilization for the prior year. Any excesses or deficits are reimbursed after the end of each fiscal year. For the year ended June 30, 2025, the City's share of the costs of the Jail was \$3,878,988. Complete, audited financial statements for the Jail can be obtained at their administrative offices at Avon Street Extended, Charlottesville, Virginia 22902.

(e) Blue Ridge Juvenile Detention Center

The City, with Albemarle, Culpeper, Fluvanna and Greene Counties, share the cost of operating a regional Juvenile Detention Commission per an adopted agreement dated July 1, 1999, and amended July 2, 2007. Commission members are appointed by each participating locality, with not locality appointing a majority of Board members. Under the terms of the operating agreements, the participating governments share the costs of operations and capital based on their respective aggregate percentages of usage during the preceding three years on an annual basis. For the year ended June 30, 2025, the City's share of the costs for the Blue Ridge Juvenile Detention Center (BRJDC) was \$1,165,591. Complete, audited financial statements for the Center can be obtained at the County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

(f) Emergency Communications Center

The City, Albemarle County and the University of Virginia jointly participate in operating a centralized dispatching facility for law enforcement and emergency services. The Emergency Communications Center (the Center) is governed by an eight-member board, three of whom are ex-officio members from the City. The Center operates under the terms of an agreement whereby any participant may discontinue its participation with one year's written notice. The operating costs of the Center are shared by the three participants on the basis of population, numbers of calls for service and annual crime statistics. For the year ended June 30, 2025, the City's share of the costs of the Center was \$2,429,298. Complete, audited financial statements for the Center can be obtained at the County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

(g) Charlottesville Albemarle Convention & Visitors Bureau

This is a regional program funded by the City, Albemarle County, Charlottesville Regional Chamber of Commerce and the University of Virginia and revenues generated by the Bureau. Its purpose is to promote tourism in the area. The Bureau is governed by a Management Committee composed of the City Manager, the County Executive, the President of the Charlottesville-Albemarle Chamber of Commerce and one ex-officio, non-voting member from the University of Virginia. The Chamber of Commerce contributes an amount based on its membership dues. The City and the County contributions are based on the year's sales tax and lodging tax for each compared to total. For the year ended June 30, 2025, the City contributed \$1,522,235 to the Bureau.

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

(h) Darden Towe and Ivy Creek Parks

The City and County jointly own and operate two parks, known as Darden Towe Park and Ivy Creek Nature Center (the Parks). The Parks are governed by a supervisory committee, consisting of two ex-officio members each from the City and County. The operating costs of the Parks are shared between the two based on the average of the populations of the two localities and the relative proportion of park usage by City and County residents. For the year ended June 30, 2025, the City's share of the Parks' operating costs was \$178,967. Complete, audited financial statements for the Parks can be obtained at the County Office Building, 401 McIntire Road, Charlottesville, Virginia 22902.

19. RELATED ORGANIZATIONS

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

Belmont Bridge Steering Committee
Board of Architectural Review
Building Code Board of Appeals
Charlottesville – Albemarle Airport Authority
Charlottesville – Albemarle Airport Commission
Charlottesville – Albemarle Child Services Act Community Policy and Management Team
Charlottesville Economic Development Authority
Charlottesville Redevelopment and Housing Authority
Charlottesville Youth Council
Citizen's Advisory Panel
Citizen's Transportation Advisory Committee
Community Development Block Grant Task Force
Housing Advisory Committee
Human Rights Commission
JAUNT (Jefferson Area United Transportation Board)
Jefferson Area Board of Aging Advisory Council (JABA)
Jefferson Area Board of Aging-Board of Directors (JABA)
Jefferson Area Community Criminal Justice Board
Metropolitan Planning Organization Policy Board
Monticello Area Community Action Agency Board (MACAA)
Parks and Recreation Advisory Committee
Personnel Appeals Board
Piedmont Virginia Community College Board
Planning Commission/Entrance Corridor Review Board
PLACE Design Task Force
Region Ten Community Services Board
Regional Disability Service Board
Retirement Commission
Rivanna Solid Waste Authority
Rivanna Water and Sewer Authority
Sister Cities Commission
Social Services Advisory Board
Streets That Work / Code Audit Steering Committee
Thomas Jefferson Planning District Commission
Towing Advisory Board
Tree Commission
Vendor Appeals Board
Water Resources Protection Program Advisory Committee

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

20. RISK MANAGEMENT

The Risk Management Fund reports liabilities for claims when it is probable that a loss has been incurred, and also includes independent estimates for claims that have been incurred but not reported. Since these claims are estimates based on currently available information, they are reviewed periodically, and the reported liabilities are revised as necessary. The net position balance of \$8,215,255 at June 30, 2025, is a reserve for future extraordinary claims.

Major risks retained by the City include:

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

	2024-2025	2023-2024
Accrued Claims, July 1 2024	\$ 2,905,557	\$ 2,585,356
Add claims incurred during the current fiscal year including changes in estimated claims payable	22,249,613	21,625,607
Less payments on claims	(21,303,053)	(21,305,406)
Accrued Claims, June 30, 2025	<u>\$ 3,852,117</u>	<u>\$ 2,905,557</u>
Claims or judgements due within one year	\$ 2,859,420	\$ 2,371,036
Claims or judgements due in more than one year	991,466	534,521
	<u>\$ 3,850,886</u>	<u>\$ 2,905,557</u>

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

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

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

21. CONTINGENCIES

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

22. NET POSITION DEFICIT

The Charlottesville School Board had a net position deficit of \$1,627,694 at June 30, 2025. This deficit is due to the long-term net pension and OPEB liabilities.

23. MAJOR UTILITY CUSTOMER IN FISCAL YEAR 2025

The City has one major water and gas customer, the University of Virginia. For the current year, water, wastewater and gas revenue from this customer was \$4,385,058, \$5,145,287 and \$5,521,626, respectively, which represents 26.55% of water revenue. 30.01% of wastewater revenue and 21.15% of gas revenue.

24. TAX ABATEMENTS

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

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

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

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

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

25. COVID-19 PANDEMIC FUNDING

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

The federal government passed legislation to mitigate the economy impact of the pandemic. As a result of this legislation, the City received the following awards beginning in the spring of 2020 through FY2025. The awards have been expended as follows:

	Amount Awarded	Expended Prior Year	Expended Current Year	Available Future Year
<u>Direct Federal Aid:</u>				
American Rescue Plan Act- City	\$ 19,609,709	\$ 13,091,583	\$ 5,647,552	\$ 870,574
Federal Transportation Agency- Jaunt	3,119,715	3,119,715	-	-
Federal Transportation Agency- Transit	9,359,143	7,443,026	1,916,117	-
Health and Human Services- EMS	58,201	58,201	-	-
Housing and Urban Development- CDBG	581,401	485,396	84,681	11,324
US Department of Justice- BJA	80,781	80,781	-	-
 <u>Federal Aid Passed Through the State</u>				
Department of Justice Services- Law Enforcement	375,623	375,623	-	-
Housing and Community Development- Homeless	2,493,060	2,493,060	-	-
Rail and Public Transportation- Transit	221,227	221,227	-	-
Treasurer of Virginia- Cares Act for City Schools	2,409,620	2,409,620	-	-
Treasurer of Virginia- Cares Act for City	8,311,781	8,311,781	-	-
Treasurer of Virginia- Utility Customer Relief	213,703	213,703	-	-
 Total	<u>\$ 46,833,964</u>	<u>\$ 38,303,716</u>	<u>\$ 7,648,350</u>	<u>\$ 881,898</u>

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

26. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

On June 30, 2025, the City had several construction contracts and other commitments which are summarized as follows:

Project Name	Contract Amount	Expended to Date	Balance
Buford Walker Reconfiguration	\$ 92,099,271	\$ 67,030,867	\$ 25,068,404
Belmont Bridge	39,917,704	36,017,459	3,900,245
Bypass Fire Station	9,274,861	9,070,331	204,530
General District Court	7,272,028	7,244,028	28,000
250 Bypass/Route 29 Business - SGR	3,681,786	3,587,271	94,515
Funding for Friendship Court Infrastructure	7,290,000	3,400,248	3,889,752
HB2 - Emmet Street	22,992,204	3,081,471	19,910,733
Melbourne/ NS Railroad SGR	2,661,556	2,611,791	49,765
250 Bypass/Rugby Ave	2,466,885	2,419,019	47,866
HB2 - East High Street	14,944,836	1,734,300	13,210,536
Avon Street Filling Station Replacement	1,598,967	1,593,576	5,391
Smart Scale Barracks Road/Emmet Street	9,136,604	1,460,325	7,676,279
HB2 - Fontaine Ave	13,266,414	1,189,232	12,077,182
Charlottesville High School Reconfiguration	2,155,413	1,077,707	1,077,706
250 Bypass/NS Railroad - SGR	1,269,741	972,272	297,469
Dairy Road Bridge Replacement	12,619,825	467,442	12,152,383
Water Project	2,824,854	2,824,854	-
Sewer Line Project	2,371,264	2,371,264	-
Storm Water Project	1,460,857	1,460,857	-
Gas Lines Project	193,199	193,199	-
	<u>\$ 249,498,269</u>	<u>\$ 149,807,513</u>	<u>\$ 99,690,756</u>

27. LEASES

The City of Charlottesville reviewed its outstanding lease agreements to determine application of this standard to its existing agreements both Lessee and Lessor. A total of ten building space Lessor leases and sixty - three copier, one equipment, and two building space Lessee leases were determined to meet this standard. All leases, however, were reviewed according to the standards of GASB Statement 87. All leases were then applied to the principles of the present value based on the applicable lease term at a determined interest rate. The lease terms were evaluated by the options presented in the lease agreement with any extensions considered, if it was reasonably certain they would be extended. None of the leases had an interest rate explicitly shown in the lease agreement. For Lessor leases, the lease receivable was debited and the deferred inflow for these leases were credited. For Lessee leases, the lease asset was debited, and the lease liability was credited. Details of each lease type is discussed in the note for leases, below.

Lessor Leases

The City has leased 10 of its properties as shown on the schedule below. The longest lease term has a period of 120 months, as opposed to the shortest at 12 months, from the Fiscal Year beginning date, with the remaining lease value of \$849,396 shown. The leases were recorded at the applicable federal rate, which was determined to be the best estimate of interest earnings when no interest rate was explicitly shown in the lease document. The City applied short, median, and long-term rates as determined by the applicable federal rate on lease beginning date. On June 30, 2025, the City has a lease receivable of \$591,333. Below is a schedule of leases receivable for future fiscal years per their respective lease term:

City Lessor Leases of Building Space						
Lease Asset Description	Begin Date	End Date	Monthly Payment	Months	Lease Value	Interest Rate
Virginia Discovery Museum	Jul 1, 2021	Jul 1, 2026	\$ 345	60	\$ 8,196	1.00%
Tastings Restaurant and Wine Shop	Jul 1, 2021	Jan 1, 2024	3,969	30	73,618	1.00%
United States Postal Service	Jul 1, 2021	Jun 1, 2028	7,650	83	345,073	2.07%
Verizon Wireless	Jul 1, 2021	Jun 1, 2024	75	35	41,453	1.00%
Mr. Fix Cell Phone & Computer Repair	Feb 1, 2023	Feb 1, 2028	1,710	60	44,140	3.82%
Sealed With a Kiss Bridal	Feb 1, 2023	Feb 1, 2028	1,710	60	68,628	3.82%
Albemarle Charlottesville Historical Society	May 1, 2023	May 1, 2028	904	60	38,825	3.57%
MCGUFFEY Arts Associations INC	Jan 1, 2023	Jan 1, 2028	2,753	60	108,025	3.85%
Soccer Organization of Charlottesville Area Inc	Apr 1, 2023	Apr 1, 2033	1,095	120	96,792	4.02%
Sentara Martha Jefferson Hospital	Jan 1, 2024	Jan 1, 2025	4,168	12	24,646	5.00%
					<u>\$ 849,396</u>	

Schedule Of Lease Receivables at Fiscal Year End			
Fiscal Year	Principal	Interest	Lease Receivable 06/30
2025	\$ 258,063	\$ 22,350	\$ 591,333
2026	215,107	14,778	376,226
2027	171,236	9,353	204,990
2028	139,796	4,478	65,194
2029	19,525	2,277	45,669
2030	11,514	1,625	34,155
2031	11,986	1,154	22,169
2032	12,477	663	9,692
2033	9,692	163	
	<u>\$ 849,396</u>	<u>\$ 56,841</u>	

Lessee Leases

The City has also procured leases for Copiers, Equipment and Building Spaces needed for various operations. A schedule of these leases is shown below. The longest lease term has a period of 156 months while the shortest lease term was for 12 months from the lease beginning date. The City recorded its lease activity for these leases at the beginning of Fiscal Year 2022, with the remaining lease values of \$8,171,842 shown. The leases were recorded at the applicable federal rate at the lease beginning date, which was determined to be the best estimate of the incremental borrowing rate when no interest rate was shown on the face of the lease document. The federal rate used was based on the short, medium, and long term based on the lease term. The copier interest rate was determined to be the present value of the lease payments as opposed to the copier purchase price at lease inception. On June 30, 2025, the liability of the leases outstanding was \$7,109,256. Below are the details of these leases and their future liability:

Lease Liability By Lease Asset Class - Govt Type			
Year	Building	Photocopier	Total
2025	\$ 969,008	81,390	\$ 1,050,398
2026	989,258	72,335	1,061,593
2027	1,009,931	56,035	1,065,966
2028	832,187	29,176	861,363
2029	648,661	9,166	657,827
2030	662,217	1,795	664,012
2031	676,056		676,056
2032	690,183		690,183
2033	704,607		704,607
2034	719,331		719,331
	<u>\$ 7,901,439</u>	<u>\$ 249,897</u>	<u>\$ 8,151,336</u>

Schedule of Lease Liability at Fiscal Year End - Govt Type			
Year	Principal	Interest	Total
2025	\$ 1,050,398	\$ 161,859	\$ 7,100,939
2026	1,061,593	139,769	6,039,347
2027	1,065,966	116,584	4,973,380
2028	861,363	94,412	4,112,016
2029	657,827	79,056	3,454,188
2030	664,012	65,231	2,790,177
2031	676,056	51,367	2,114,121
2032	690,183	37,239	1,423,938
2033	704,607	22,816	719,331
2034	719,331	8,091	
	<u>\$ 8,151,336</u>	<u>\$ 776,424</u>	

Lease Liability by Lease Asset Class - Business Type			
Year	Equipment	Photocopier	Total
2025	\$ 9,018	\$ 3,172	\$ 12,190
2026		2,469	2,469
2027		2,463	2,463
2028		2,508	2,508
2029		876	876
	<u>\$ 9,018</u>	<u>\$ 11,488</u>	<u>\$ 20,506</u>

Schedule of Lease Liability at Fiscal Year End - Business Type			
Year	Principal	Interest	Total
2025	\$ 12,190	\$ 335	\$ 8,317
2026	2,469	298	5,847
2027	2,463	193	3,384
2028	2,508	81	876
2029	877	6	
	<u>\$ 20,506</u>	<u>\$ 913</u>	

City Lessee Leases of Photocopier Machines & Building Space - Government Type							
Lease Asset Description	Type	Lease Begin Date	Lease End Date	Months	Monthly Payment	Lease Value	Interest Rate
City Treasurer	Copier	1-Jul-21	21-Aug-24	37	\$ 110	\$ 110	0.76%
Commonwealth Attorney	Copier	1-Jul-21	17-Jun-25	47	176	1,922	1.12%
Public Works/School Maintenance	Copier	1-Jul-21	10-Mar-25	44	112	886	1.91%
Human Resources Department	Copier	1-Jul-21	19-Oct-25	51	208	3,099	1.00%
City Attorney's Office	Copier	1-Jul-21	4-Nov-24	40	195	779	0.84%
City Manager's Office	Copier	1-Jul-21	1-Mar-25	44	245	1,953	0.95%
City Treasurer	Copier	1-Jul-21	14-Apr-25	45	119	1,065	1.91%
City Treasurer	Copier	1-Jul-21	29-Apr-25	45	95	852	1.91%
Finance - Administration	Copier	1-Jul-21	5-May-25	46	125	1,241	1.91%
Parks and Recreation Administration	Copier	1-Oct-21	1-Oct-26	60	218	5,767	1.84%
View Administration	Copier	25-Jan-22	24-Jan-26	48	106	1,884	1.91%
Aquatics	Copier	9-Nov-21	8-Nov-26	60	75	2,089	0.07%
Office of Equity and Inclusion	Copier	1-Apr-23	1-Apr-28	60	72	2,999	4.15%
Home to Hope	Copier	1-Apr-23	1-Apr-28	60	72	2,998	4.15%
Downtown Job Center	Copier	1-Apr-23	1-Apr-28	60	72	2,998	4.15%
Office of Human Rights	Copier	1-Apr-23	1-Apr-28	60	72	2,998	4.15%
Equip Rep City Sheriff	Copier	1-Dec-22	1-Dec-25	36	149	2,452	4.55%
Fire Administration	Copier	17-Apr-23	17-Apr-27	48	115	3,592	4.15%
Fire Administration	Copier	17-Apr-23	17-Apr-27	48	126	3,920	4.15%
IT Operations	Copier	28-May-23	28-May-27	48	139	4,479	3.57%
Circuit Court Judge	Copier	16-May-23	16-May-27	48	103	3,338	3.57%
Transit Maintenance	Copier	9-Apr-23	9-Apr-27	48	138	4,304	4.15%
Transit Administration	Copier	9-Mar-23	9-Mar-27	48	198	6,024	3.70%
Circuit Court Administrator – Renewed	Copier	20-Nov-23	20-Nov-24	12	134	533	3.90%
Circuit Court – Renewed	Copier	20-Nov-23	20-Nov-24	12	134	532	5.38%
Voter Registration	Copier	4-Apr-23	4-Apr-27	48	237	7,616	1.91%
Fire Department	Copier	17-Apr-23	17-Apr-27	48	126	4,045	1.91%
Neighborhood Development Services	Copier	10-Apr-23	10-Apr-27	48	231	7,418	1.91%
Neighbor Development Services	Copier	10-Apr-23	10-Apr-27	48	153	4,905	1.91%
Streets and Sidewalks	Copier	28-Feb-24	28-Feb-28	48	66	2,740	1.91%
Public Works Administration	Copier	28-Feb-24	28-Feb-28	48	66	2,740	1.91%
Social Services 2nd Floor	Copier	19-Aug-22	19-Aug-26	48	108	2,637	1.91%
Department of Social Services 3rd Floor	Copier	8-Nov-22	8-Nov-26	48	153	4,188	1.91%
DSS 2nd floor	Copier	8-Nov-22	8-Nov-26	48	66	1,799	1.91%
Department of Social Services	Copier	8-Nov-22	8-Nov-26	48	66	1,800	1.91%
Parks Administration	Copier	2-Jun-22	2-Jun-26	48	157	3,540	1.91%
Police Admin	Copier	19-Dec-22	18-Dec-25	36	149	2,466	3.90%
General District Court	Copier	27-Apr-23	27-Apr-27	48	167	5,354	1.91%
Fleet Maintenance Operations	Copier	27-Apr-23	27-Apr-28	60	98	4,357	0.84%
Juvenile and Domestic Relations Court	Copier	1-Dec-23	1-Dec-27	48	121	4,787	1.91%
Real Estate Assessor	Copier	1-Dec-23	1-Dec-27	48	126	4,994	1.91%
Police Support Services	Copier	8-Feb-24	8-Feb-28	48	134	5,582	1.91%
Police Field Operations	Copier	8-Feb-24	8-Feb-28	48	86	3,589	1.91%
Key Rec Center	Copier	1-Jun-23	1-Jun-28	60	67	2,700	8.02%
Police Civilian Review Board	Copier	1-Aug-23	1-Aug-28	60	288	12,650	5.40%
Office Of magistrate	Copier	1-Feb-23	1-Feb-28	60	96	3,507	8.92%
Community Solutions	Copier	1-Oct-23	1-Oct-28	60	288	12,423	8.02%

Community Attention Foster Families	Copier	1-Nov-22	1-Nov-27	60	93	3,335	6.30%
Human Services Administration	Copier	1-Nov-22	1-Nov-27	60	84	3,013	6.30%
Human Services Administration	Copier	1-Nov-22	1-Nov-27	60	176	6,348	6.30%
Community Attention Foster Families	Copier	1-Nov-22	1-Nov-27	60	113	4,050	6.30%
Community Based Programming	Copier	1-Nov-22	1-Nov-27	60	113	3,981	7.35%
Carver Center	Copier	1-Jul-24	1-Jul-29	60	125	6,662	4.61%
Aquatics	Copier	1-Jul-24	1-Jul-29	60	70	3,747	4.61%
Office Of Economic Development	Copier	6-Mar-25	6-Mar-30	60	158	8,384	4.82%
Public Works	Copier	18-Mar-25	18-Mar-29	48	113	4,974	4.46%
School Pupil Transportation	Copier	6-Aug-24	6-Aug-28	48	184	8,114	4.34%
City Treasure	Copier	15-Oct-24	15-Oct-29	60	123	6,638	4.10%
Circuit Court Administration	Copier	19-Dec-24	19-Dec-27	36	161	5,432	4.18%
Information Technology	Copier	10-Jun-25	10-Jun-29	48	42.72	1,883	4.24%
Procurement	Copier	19-Dec-24	19-Dec-28	48	99	4,354	4.18%
Police Field Operations	Copier	14-Aug-24	14-Aug-24	12	130	1,514	4.95%
Finance Administration	Copier	6-May-25	06-May-26	12	119	1,396	4.10%
PW Facilities Development	Copier	27-Jul-24	27-Jul-25	12	129	1,511	4.49%
Treasury Office	Copier	29-Apr-25	29-Apr-26	12	91	1,064	4.21%
Treasury Office	Copier	15-Apr-25	15-Apr-26	12	113	1,329	4.21%
Tonsler Center	Copier	1-Oct-24	1-Oct-29	60	64	3,517	3.70%
Total Photocopier Machines						<u>\$ 249,897</u>	
200 East Water Street (Garage)	Building	1-Jul-21	1-Jul-34	156	60,619	\$ 6,565,612	
Jefferson School Community Partnership	Building	1-Jul-21	1-Jan-28	78	32,999	<u>1,335,827</u>	
Total Building						<u>7,901,439</u>	
Total Government Type Lessee Leases						<u><u>\$ 8,151,336</u></u>	

City Lessee Leases of Photocopier Machines & Equipment - Business Type							
Lease Asset Description	Type	Lease Begin Date	Lease End Date	Term (Months)	Monthly Payment	Lease Value	Interest Rate
Meadowcreek Golf Course	Copier	1-Jun-23	1-Jun-28	60	67	\$ 2,701	8%
Utility Billing Office	Copier	8-Feb-24	8-Feb-29	60	56	2,997	1%
Gas General Operations	Copier	1-Jul-21	26-Aug-25	49	56	718	1%
Water Division Operations	Copier	1-Jul-21	26-Aug-25	49	28	359	1%
Wastewater Collection	Copier	1-Jul-21	26-Aug-25	49	28	359	1%
Store Administration	Copier	19-Dec-24	19-Dec-28	48	99	4,354	4.18%
Total Photocopier Machines	Copier					<u>\$ 11,488</u>	
Golf Maintenance Equipment	Equipment	7/1/2021	9/4/2024	38	4,515	<u>\$ 9,018</u>	1%
Total Business Type Lessee Leases						<u><u>\$ 20,506</u></u>	

28. SBITA

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

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

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

The city currently holds 20 subscription-based agreements with vendors that have qualified for GASB 96 implementation. These agreements vary in duration, with the longest one spanning 60 months, while the shortest lasts for 24 months from the beginning of the fiscal year. The remaining value is \$2,763,589.

These contracts were initially recorded using the applicable federal rate, which was determined to be the best estimate of applicable federal discount rate when no explicit interest rate was specified in the agreement document. The city applied short, median, and long-term rates as determined by the applicable federal rate.

As of June 30, 2025, the city's SBITA Value stands at \$1,820,838. Below, you can find a schedule of SBITA assets for future fiscal years, categorized according to their respective agreement terms.

List Of Subscription Based Information Technology Software Agreements						
SBITA Description	Beginning Date	Ending Date	Term (Months)	Monthly Payment	SBITA Value	SBITA Interest Percentage
Citizen Relationship Management	Jul 1, 2022	Mar 19, 2027	56	\$ 956	\$ 29,368	2.99%
Open Gov Budgeting Software	Aug 29, 2022	Aug 28, 2027	60	4,438	156,689	2.99%
Benefit Enrollment Portal	Jul 1, 2022	May 2, 2025	34	3,954	39,008	2.99%
Cloud Based Office – Microsoft	Jul 1, 2022	Nov 30, 2026	53	33,713	942,066	2.99%
Cyber Security Training – KnowB4	Jul 1, 2022	May 21, 2025	34	1,104	10,886	2.99%
Electronic Signature Service – Adobe	Jul 1, 2022	Sep 30, 2025	39	3,005	44,195	2.99%
Email Filtering Service – Mimecast	Jul 1, 2022	Aug 29, 2024	25	5,098	123,408	2.99%
SAP Data and Entry software	Oct 1, 2022	Sep 30, 2027	60	1,425	52,897	2.99%
Civic Clerk Software - Mayor	Jul 1, 2022	Feb 26, 2026	43	884	16,387	2.99%
Civic Clerk Software - Communication	Jul 1, 2022	Feb 26, 2026	43	774	14,338	2.99%
Neo Gov Perform Subscription	Jul 1, 2022	Sep 29, 2026	38	2,560	64,360	2.99%
Govt Question Answer FOI Software	Jul 1, 2022	Jul 1, 2025	36	1,314	15,510	2.99%
Govt Question Answer FOI Software - Renewal	Jun 27, 2025	Jun 27, 2028	36	1,835	62,357	4.00%
Software for Vendor Management	Mar 4, 2023	Mar 4, 2027	48	396	12,049	3.70%
SAP Critical Success Factor	May 29, 2023	May 29, 2028	60	14,026	602,170	3.57%
Debt Management Software	Dec 18, 2023	Dec 18, 2026	36	1,751	47,597	5.26%
Online Learning Management System	Jan 10, 2024	Jan 10, 2029	60	3,998	195,660	4.37%
Neighborly Grant Management Software	May 3, 2024	May 3, 2029	60	1,397	72,818	4.42%
Geographical Information System Technology	Sep 1, 2022	Sep 1, 2025	36	3,208	44,105	2.93%
Security Awareness Training – Hox Hunt	May 15, 2025	May 30, 2030	60	2,292	124,575	4.10%
Julota Impact SAAS	May 5, 2025	May 5, 2027	24	4,055	93,146	4.62%
				Total SBITA	\$ 2,763,589	

Schedule Of SBITA Liability at Fiscal Year End			
Fiscal Year	Principal	Interest	Liability at 06/30
2025	\$ 942,751	\$ 69,673	\$ 1,820,838
2026	912,428	49,887	908,409
2027	569,499	22,339	338,910
2028	253,041	8,357	85,869
2029	63,374	2,085	22,496
2030	22,496	425	
	<u>\$ 2,763,589</u>	<u>\$ 152,766</u>	

29. ADOPTION OF ACCOUNTING PRINCIPLE GASB STATEMENT 101 COMPENSATED ABSENCES JULY 1, 2024

The purpose of GASB Statement 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

In the process of adopting GASB Statement 101, the City undertook a comprehensive review of its existing personnel, and compensated absences policies to determine the applicability of this standard. The City determined that only sick leave needed to be added to our compensated absences. In order to determine what leave is more likely than not to be used, the City looked at the average amount of sick leave used over a 5 year time period. Because the leave policy has a sick leave rollover into retirement, the City found that longer tenured employees do not use more sick leave than the average employee. Therefore, a single average utilization percentage was used when calculating the new compensated absences liability due to sick leave.

As a result of this change in accounting standards, compensated absences related sections in Note 1 and Note 9 have been adjusted. The FY24 restatement in accordance with GASB 100 is detailed in Note 30.

30. ACCOUNTING CHANGES AND ERROR CORRECTIONS

To implement GASB 101 prior year balances needed to be restated to account for the increase in compensated absences due to the addition of sick leave more likely than not to be used. The increase in the compensated absences liability caused prior year net position to decrease by 6,989,494 in the governmental activities and decrease 914,432 in the business type activities. The Following Exhibits and Notes show the restatements: Exhibits B, D, E2, L2, Note 9

An error occurred where FY24 state highway maintenance funding was omitted from revenue. The effect of the omitted revenue caused General Fund balance to be understated by 1,370,428 and Governmental Activities Net Position to be understated by 1,370,428 these corrections required restatement of FY25's beginning balances where appropriate. The Following Exhibits and Notes show the restatements: Exhibit B, D, G1

An error occurred where earned interest on American Rescue Plan Act funds thru FY24 was classified as unearned revenue instead of interest revenue. The effect on the improper revenue classification caused ARPA Fund balance to be understated by 1,272,958 and Governmental Activities Net Position to be understated by 1,272,958 these corrections required restatement of FY25's beginning balances where appropriate. The Following Exhibits and Notes show the restatements: Exhibit B, D, G2

	Funds		Government-wide	
	ARPA Fund	General Fund	Governmental Activities	Business Type Activities
6/30/2024, As previously Reported		73,872,455	278,308,382	70,871,137
GASB 101 Implementation	-	-	(6,989,494)	(914,432)
Error Correction- Highway Maint	-	1,370,428	1,370,428	
Error Correction-Interest	1,272,958	-	1,272,958	
Total Restatements	1,272,958	1,370,428	(4,346,108)	(914,432)
6/30/2024, As Restated	1,272,958	75,242,883	273,962,274	69,956,705

31. SUBSEQUENT EVENTS- BOND ISSUANCE

The City issued \$33,705,000 in General Obligation Public Improvement Bonds, Series 2025 (Tax-Exempt) via competitive sale on September 3, 2025. The issue was rated "AAA" by Moody's Investor Services and S&P Global Rating Services. The bond proceeds will be used to fund infrastructure improvements for education, public safety, and water, wastewater, and stormwater utilities.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLOTTESVILLE, VIRGINIA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

1. BUDGETARY ACCOUNTING

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The City and many other governments revise their original budgets over the course of the year for a variety of reasons. Accordingly, GAAP requires that governments include the original budget with the comparison of final budget and actual results.

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

An annual operating budget is adopted for the General Fund and the Social Services Fund. Other Governmental Funds with adopted Budgets include the Capital Project Fund, Debt Service Fund, and special revenue funds including: Community Development Block Grant Fund, Grants Fund, Human Services Fund, Children Services Act Fund, the Transit Fund, the American Rescue Plan Act Fund and the Opioid Remediation Fund. Within the General Fund, budgets are legally adopted at the departmental level. The City Manager is authorized to transfer the budget for personnel cost (salaries and fringe benefits) between departments if necessary; however, any other revisions that alter the total expenditures of any department or agency must be approved by City Council. Unexpended appropriations lapse at the end of the fiscal year unless carried over by Council action.

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

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

		Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
		Original	Final		
REVENUES					
Taxes:					
Real estate	\$ 108,438,706	\$ 108,438,706	\$ 110,202,436	\$ 1,763,730	
Personal property	13,304,762	13,304,762	14,100,927	796,165	
Public service corporation	1,746,954	1,746,954	2,041,089	294,135	
Penalties and interest on delinquent taxes	850,000	850,000	1,003,985	153,985	
Sales and use	15,810,000	15,810,000	14,174,823	(1,635,177)	
Utilities	4,700,000	4,700,000	4,933,233	233,233	
Communications	2,082,500	2,082,500	2,077,779	(4,721)	
Meals	21,253,218	21,253,218	21,205,537	(47,681)	
Lodging	9,562,500	9,562,500	8,983,836	(578,664)	
Tax on bank stock	1,171,353	1,171,353	1,264,385	93,032	
Tax on wills and deeds	550,000	550,000	793,001	243,001	
Rolling stock	18,040	18,040	16,927	(1,113)	
Short-term rental	60,000	60,000	61,231	1,231	
Cigarette	550,000	550,000	457,276	(92,724)	
Recordation	-	-	660	660	
Plastic Bag Tax	100,000	100,000	71,331	(28,669)	
Total Taxes:	180,198,033	180,198,033	181,388,456	1,190,423	
Licenses and permits:					
Vehicle license fees	-	-	9,555	9,555	
Dog licenses	4,000	4,000	3,689	(311)	
Business License	10,100,000	10,100,000	10,767,041	667,041	
Electrical, heating and mechanical permits	285,000	285,000	345,841	60,841	
Building and plumbing permits	570,000	570,000	2,475,355	1,905,355	
Erosion control fees	29,500	29,500	8,175	(21,325)	
Sign permits	8,000	8,000	-	(8,000)	
Other permits	493,800	493,800	699,636	205,836	
Total Licenses and permits:	11,490,300	11,490,300	14,309,292	2,818,992	
Intergovernmental:					
Revenue from Federal government	-	420,000	18,231	(401,769)	
Revenue from State agencies:					
Other State assistance	185,000	185,755	179,108	(6,647)	
P2P vehicle share tax	-	-	6,766	6,766	
Police assistance	2,640,188	2,640,188	2,681,084	40,896	
PPTRA revenue	3,498,256	3,498,256	3,498,256	-	
Reimbursement for constitutional officers	2,453,159	2,453,159	2,334,797	(118,362)	
State highway assistance	5,591,341	5,591,341	5,629,814	38,473	
Trailer titling tax	1,500	1,500	12,866	11,366	
Revenue from other local governments:					
Circuit Court reimbursement	16,218	16,218	6,650	(9,568)	
Court revenue	400,000	400,000	332,669	(67,331)	
Juvenile and Domestic Relations Court	144,465	144,465	-	(144,465)	
Other local governments	5,211,943	5,211,943	5,263,363	51,420	
Payment in lieu of taxes - CRHA	25,000	25,000	55,303	30,303	
Revenue sharing - Albemarle County	17,760,728	17,760,728	17,760,728	-	
University of Virginia service charge	60,000	60,000	92,265	32,265	
Total Intergovernmental:	37,987,798	38,408,553	37,871,900	(536,653)	

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
Charges for services:				
Recreation income	954,953	954,953	1,039,803	84,850
Parking garage revenue	2,705,850	2,705,850	2,128,148	(577,702)
Solid waste collection fees	1,210,000	1,210,000	1,282,712	72,712
Emergency Medical Services	1,015,000	1,015,000	1,354,863	339,863
DMV Select Commissions	20,000	20,000	7,921	(12,079)
Other charges for services	3,403,634	3,409,234	4,073,185	663,951
Total Charges for services:	9,309,437	9,315,037	9,886,632	571,595
Fines:				
Parking fines	300,000	300,000	242,967	(57,033)
Investment earnings:				
Interest	3,000,000	3,000,000	4,863,840	1,863,840
Gains/Losses on Investments	-	-	1,328,606	1,328,606
Miscellaneous revenues:				
Rent	437,963	437,963	498,232	60,269
Proceeds from drug seizures	-	-	3,352	3,352
Contributions	-	38,700	65,635	26,935
Refund of prior year expenditures	50,000	76,211	161,838	85,627
Indirect cost recovery	125,000	125,000	390,398	265,398
Other miscellaneous revenues	521,061	620,038	547,742	(72,296)
Total Miscellaneous revenues:	1,134,024	1,297,912	1,667,197	369,285
Total Revenues	243,419,592	244,009,835	251,558,890	7,549,055
EXPENDITURES-CURRENT				
General government:				
Legislative:				
First Cities	18,200	18,200	18,170	30
Mayor and Council	714,686	714,686	630,483	84,203
Reserve for Council	390,636	364,176	-	364,176
Sister Cities	30,504	30,504	9,682	20,822
Judicial:				
City Circuit Court	1,184,940	1,353,440	1,240,604	112,837
City Sheriff	2,363,476	2,363,476	2,222,808	140,668
Commonwealth's Attorney	1,350,458	1,320,244	1,236,836	83,408
Court Services Unit	27,359	27,359	27,249	110
General District Court	31,677	31,677	17,557	14,120
Juvenile and Domestic Relations Court	370,514	370,514	357,368	13,146
Executive:				
City Manager	1,958,539	2,295,539	2,115,677	179,862
Citywide Reserve	915,557	825,820	876,992	(51,172)
Communications Office	879,834	879,834	836,670	43,163
Emergency Management	516,907	516,907	451,867	65,040
Human Rights Commission	465,232	484,232	483,151	1,080
Office of Budget and Performance	638,527	657,527	690,407	(32,880)
Office of Equity and Inclusion	1,204,711	1,206,536	865,093	341,443
Police Civilian Review Board	407,602	407,602	314,725	92,878
Legal:				
City Attorney	1,406,065	1,406,065	1,054,549	351,516

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
Financial administration:				
Commissioner of Revenue	1,686,161	1,832,563	1,828,225	4,338
Finance - Administration	1,702,472	1,752,732	1,750,732	2,000
Purchasing	624,781	710,513	708,050	2,464
Real Estate Assessor	971,372	1,077,372	1,075,853	1,519
Treasurer	1,813,139	1,918,012	1,894,465	23,547
Personnel administration:				
Human Resources Department	1,952,928	1,952,928	1,864,965	87,963
Elections:				
Office of the Registrar	885,249	911,709	871,336	40,373
General government buildings and plant:				
Custodial	671,787	671,787	599,288	72,499
Maintenance	4,940,964	5,167,864	4,107,386	1,060,478
Public Works - Administration	2,614,023	2,564,023	2,287,310	276,713
Information technology:				
IT Operations	4,049,707	4,078,707	3,566,251	427,738
Total General government:	<u>36,788,009</u>	<u>37,912,548</u>	<u>34,003,749</u>	<u>3,824,082</u>
Public safety:				
Police protection:	23,220,013	23,862,884	22,900,541	962,343
Drug investigation	-	-	3,681	(3,681)
Police Department	23,220,013	23,862,884	22,896,860	966,024
Fire protection:				
Fire Department	18,093,276	18,452,071	18,345,724	106,347
Volunteer Fire Company	25,001	25,001	2,400	22,601
Other protection:				
Blue Ridge Juvenile Detention Center	1,165,591	1,165,591	1,165,591	-
Contribution - Charlottesville-Albemarle Regional Jail	3,846,251	3,878,988	3,878,988	-
Contribution - Emergency Communications Center	2,429,298	2,429,298	2,429,298	-
Emergency medical services	1,153,182	1,050,387	1,056,566	(6,179)
Four for Life	142,704	142,704	4,756	137,949
Office of the Magistrate	20,450	20,450	10,386	10,064
Traffic Engineering	1,258,512	1,258,512	1,365,789	(107,278)
Total Public safety:	<u>51,354,277</u>	<u>52,285,886</u>	<u>51,160,039</u>	<u>1,125,847</u>
Community services				
Highways and streets:				
Public Service - Administration	603,642	603,642	652,321	(48,679)
Public Works - Stormwater	-	-	694	(694)
Street lighting	709,438	709,438	682,542	26,896
Streets and sidewalks	5,451,331	5,451,331	4,242,249	1,209,081
Sanitation:				
Contribution to Ivy Landfill	450,000	742,000	734,156	7,844
Refuse collection and disposal	3,122,840	3,122,840	3,065,666	57,174
Transportation:				
Contribution to JAUNT	1,933,090	1,933,090	1,933,090	-
Total Community services	<u>12,270,340</u>	<u>12,562,341</u>	<u>11,310,718</u>	<u>1,251,622</u>
Health and welfare:				
Health:				
Blue Ridge Health District	702,152	702,152	702,152	-
Offender Aid and Restoration	439,287	439,287	439,287	-
Region Ten Community Services Board	1,021,865	1,021,865	1,021,865	-
Society for the Prevention of Cruelty to Animals	317,355	344,321	344,321	-

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
Welfare:				
Charlottesville homeowner assistance program	1,295,000	1,295,000	1,065,000	230,000
Contributions to community organizations	4,413,737	4,413,737	3,911,691	502,046
Education Extension program	79,859	79,859	85,888	(6,029)
Rent relief for the disabled	118,000	79,636	79,385	251
Rent relief for the elderly	38,000	66,355	66,355	-
Stormwater fee assistance program	20,000	32,328	31,592	735
Tax relief for the disabled	231,000	309,331	302,441	6,889
Tax relief for the elderly	1,016,000	1,514,213	1,508,871	5,342
Total Health and welfare:	<u>9,692,255</u>	<u>10,298,084</u>	<u>9,558,848</u>	<u>739,234</u>
Parks, recreation and culture:				
Culture:				
Contribution to Jefferson - Madison Regional Library	2,227,365	2,227,365	2,227,365	-
Contributions to community organizations	561,771	561,771	552,126	9,645
Contributions to festivals	45,000	45,000	-	45,000
Recreation:				
Administration	1,283,567	1,341,567	1,339,405	2,162
Aquatics	2,227,670	2,262,670	2,452,414	(189,744)
Athletics	560,800	505,800	497,019	8,782
Recreation centers	2,247,963	2,128,463	2,032,211	96,252
Special activities	1,214,970	1,175,670	1,132,110	43,560
Therapeutic programs	546,028	536,028	516,652	19,376
Parks:				
Contribution to Towe Park operations	140,000	140,000	178,967	(38,967)
Park maintenance	7,121,216	7,352,716	6,210,180	1,142,536
Total Parks, recreation and culture:	<u>18,176,351</u>	<u>18,277,050</u>	<u>17,138,449</u>	<u>1,138,602</u>
Education:				
Contribution to school board component unit	74,092,134	74,092,134	74,092,134	-
School pupil transportation	5,769,216	6,189,216	2,539,233	3,649,983
School maintenance and energy management	5,304,670	5,441,355	3,767,240	1,674,115
Contributions to community organizations	467,436	467,436	467,436	-
Total Education:	<u>85,633,456</u>	<u>86,190,141</u>	<u>80,866,043</u>	<u>5,324,098</u>
Conservation and development:				
Economic development:				
Chamber of Commerce	16,800	16,800	15,000	1,800
Contribution to Convention and Visitors Bureau	1,522,235	1,522,235	1,522,235	-
Office of Economic Development	1,772,704	2,029,560	1,887,570	141,990
Urban redevelopment and housing:				
Contributions to community organizations	356,506	356,506	356,506	-
Historic Preservation Task Force	43,482	43,482	21,776	21,706
Neighborhood Development Services Department	3,314,786	3,336,886	3,357,982	(21,095)
Parking enterprise	2,767,312	4,187,312	4,264,339	(77,027)
Total Conservation and development:	<u>9,793,824</u>	<u>11,492,781</u>	<u>11,425,408</u>	<u>67,374</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual-Budget Basis (see Note 1)	Variance Positive (Negative)
	Original	Final		
Other activities:				
Virginia Municipal League	21,000	21,000	20,915	85
Employee benefits	6,570,450	4,370,739	372,441	3,998,298
Corporate training program	124	124	-	124
Thomas Jefferson Soil & Water	13,843	13,843	13,843	-
Virginia Institute for Government	2,500	2,500	2,500	-
Alliance for Innovation	2,550	2,550	-	2,550
Rivanna Conservation Alliance	15,000	15,000	15,000	-
National League of Cities	4,500	4,500	4,356	144
Center for Nonprofit Excellence	1,000	1,000	1,000	-
Total Other activities:	<u>6,630,967</u>	<u>4,431,256</u>	<u>430,055</u>	<u>4,001,201</u>
Total Expenditures - Budgetary Basis	<u>230,339,480</u>	<u>233,450,086</u>	<u>215,893,309</u>	<u>17,472,060</u>
ENCUMBRANCES				
Less open encumbrances - June 30, 2025	-	-	(4,088,362)	4,088,362
Total Expenditures	<u>230,339,480</u>	<u>233,450,086</u>	<u>211,804,947</u>	<u>21,560,422</u>
Revenues Over Expenditures	<u>13,080,112</u>	<u>10,559,748</u>	<u>39,753,943</u>	<u>29,109,477</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Transfer from Proprietary Funds	7,930,796	7,930,796	7,288,204	(952,403)
Transfer from Capital Projects Fund	-	1,631,000	1,400,000	(231,000)
Total Transfers in:	<u>7,930,796</u>	<u>9,561,796</u>	<u>8,688,204</u>	<u>(1,183,403)</u>
Transfers out:				
Transfer to State Grants Fund	(34,980)	(139,371)	(72,884)	66,487
Transfer to Social Services Fund	(3,995,165)	(3,995,165)	(4,930,318)	(935,153)
Transfer to Human Services Fund	(2,075,492)	(2,075,492)	(2,375,408)	(299,916)
Transfer to Children's Services Act Fund	(1,750,000)	(1,750,000)	(3,895,606)	(2,145,606)
Transfer to Virginia Juvenile Comm Crime Control Act Fund	(108,415)	(108,415)	(108,415)	-
Transfer to Transit Fund	(4,629,584)	(4,629,584)	(4,624,727)	4,857
Transfer to Debt Service Fund	(13,725,940)	(13,725,940)	(13,725,940)	-
Transfer to Capital Projects Fund	(7,889,593)	(35,391,250)	(35,125,186)	266,064
Transfer to Proprietary Funds	(489,080)	(489,080)	(489,080)	-
Total Transfers out:	<u>(34,698,249)</u>	<u>(62,304,297)</u>	<u>(65,347,564)</u>	<u>(3,043,267)</u>
Total Other Financing Sources (Uses), Net	<u>(26,767,453)</u>	<u>(52,742,501)</u>	<u>(56,659,360)</u>	<u>(4,226,670)</u>
Net Change in Fund Balance	<u>\$ (13,687,341)</u>	<u>\$ (42,182,753)</u>	<u>(16,905,417)</u>	<u>\$ 24,882,807</u>
Fund Balance - July 1, 2024			73,872,455	
Restatements and Adjustments			1,370,428	
Fund Balance - July 1, 2024 Restated			75,242,883	
Fund Balance - June 30, 2025			<u>\$ 58,337,466</u>	

See Accompanying Note to Required Supplementary Information

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
AMERICAN RELIEF PROGRAM ACT FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,670,055	\$ 5,670,055
Investment earnings	-	-	271,091	271,091
Total revenues	-	-	5,941,146	5,941,146
EXPENDITURES				
Current:				
General government	3,512,716	1,066,308	287,685	778,623
Public safety	11,038	905,432	1,032,900	(127,469)
Health and welfare	769,102	661,303	727,671	(66,368)
Parks, recreation and culture	688,932	169,235	66,962	102,272
Conservation and development	1,352,394	3,532,251	3,495,754	36,497
Risk management	114,997	114,650	-	114,650
Capital outlay	163,736	163,736	418,012	(25,476)
Total expenditures - budgetary basis	6,612,915	6,612,915	6,028,984	812,729
Less open encumbrances at June 30	-	-	(358,929)	(358,929)
Total expenditures	6,612,915	6,612,915	5,670,055	1,171,658
Revenues over (under) expenditures	(6,612,915)	(6,612,915)	271,091	7,112,804
Net change in fund balance	(6,612,915)	(6,612,915)	271,091	7,112,804
FUND BALANCE July 1, 2024	-	-	-	-
Restatements and Adjustments			1,272,958	
FUND BALANCE July 1, 2024 Restated			1,272,958	
FUND BALANCE June 30, 2025	\$ (6,612,915)	\$ (6,612,915)	\$ 1,544,049	\$ 7,112,804

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
SOCIAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 10,982,172	\$ 11,408,737	\$ 10,977,462	\$ (431,275)
Charges for services	-	-	44	44
Miscellaneous	-	-	4,345	4,345
Total revenues	10,982,172	11,408,737	10,981,851	(426,886)
EXPENDITURES				
Current:				
Health and welfare	16,050,419	16,476,984	15,912,169	564,815
Total expenditures - budgetary basis	16,050,419	16,476,984	15,912,169	564,815
Less open encumbrances at June 30	-	-	-	-
Total expenditures	16,050,419	16,476,984	15,912,169	564,815
Revenues over (under) expenditures	(5,068,247)	(5,068,247)	(4,930,318)	137,929
OTHER FINANCING SOURCES (USES)				
Transfers in	5,068,247	5,068,247	4,930,318	(137,929)
Total other financing sources (uses), net	5,068,247	\$ 5,068,247	4,930,318	(137,929)
Net change in fund balance	-	-	-	-
FUND BALANCE July 1, 2024	-	-	-	-
FUND BALANCE June 30, 2025	\$ -	\$ -	\$ -	\$ -

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-1

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 2,503,590	\$ 2,383,265	\$ 2,312,913	\$ 2,263,023	\$ 2,884,731	\$ 2,718,977	\$ 2,659,173	\$ 2,512,981	\$ 2,500,699	\$ 2,240,673
Interest	16,974,462	16,363,027	15,606,239	15,312,412	14,613,181	14,162,162	13,594,672	13,196,843	12,850,577	11,096,155
Changes of benefit terms	-	-	-	-	-	-	-	(961,615)	-	-
Differences between expected and actual experience	12,232,695	5,144,289	7,198,783	714,457	(638,262)	2,223,406	3,517,133	1,889,654	26,647	2,803,443
Changes of assumptions	-	-	-	-	6,197,699	-	-	-	-	17,484,857
Benefit payments, including refunds of employee contributions	(16,110,260)	(15,379,171)	(14,688,183)	(14,067,437)	(13,412,920)	(12,780,445)	(11,648,911)	(11,029,235)	(10,502,386)	(9,972,849)
Net change in total pension liability	15,600,487	8,511,410	10,429,752	4,222,455	9,644,429	6,324,100	8,122,067	5,608,628	4,875,537	23,652,279
Total pension liability - beginning	234,235,672	225,724,262	215,294,510	211,072,055	201,427,626	195,103,526	186,981,459	181,372,831	176,497,294	152,845,015
Total pension liability - ending (a)	249,836,159	234,235,672	225,724,262	215,294,510	211,072,055	201,427,626	195,103,526	186,981,459	181,372,831	176,497,294
Plan fiduciary net position										
Contributions - employer	25,134,883	13,949,835	11,675,185	11,022,358	11,391,629	10,143,794	9,910,900	7,763,084	7,088,275	6,794,772
Contributions - employee	1,377,849	1,250,482	1,131,321	1,087,218	1,098,813	1,099,463	792,561	329,599	342,352	226,903
Net investment income	16,937,534	13,567,570	(17,187,451)	34,102,627	3,605,139	8,946,662	10,527,419	12,294,092	(1,546,127)	3,424,127
Benefit payments, including refunds of employee contributions	(16,110,260)	(15,379,171)	(14,688,183)	(14,067,437)	(13,412,920)	(12,780,445)	(11,648,911)	(11,029,235)	(10,502,386)	(9,972,849)
Administrative expense	(285,137)	(271,203)	(240,797)	(238,939)	(238,340)	(240,537)	(228,247)	(253,592)	(268,455)	(272,012)
Other	-	-	(2)	(409)	(309)	30	553,281	83,757	-	-
Net change in plan fiduciary net position	27,054,869	13,117,513	(19,309,927)	31,905,418	2,444,012	7,168,967	9,907,003	9,187,705	(4,886,341)	200,941
Plan fiduciary net position - beginning	145,633,425	132,515,912	151,825,839	119,920,421	117,476,409	110,307,442	100,400,439	91,212,734	96,099,075	95,898,134
Plan fiduciary net position - ending	\$ 172,688,294	\$ 145,633,425	\$ 132,515,912	\$ 151,825,839	\$ 119,920,421	\$ 117,476,409	\$ 110,307,442	\$ 100,400,439	\$ 91,212,734	\$ 96,099,075
Total net pension liability - ending	\$ 77,147,865	\$ 88,602,247	\$ 93,208,350	\$ 63,468,671	\$ 91,151,634	\$ 83,951,217	\$ 84,796,084	\$ 86,581,020	\$ 90,160,097	\$ 80,398,219
City Portion of Total net pension liability - ending	\$ 75,871,222	\$ 86,035,617	\$ 90,023,884	\$ 61,438,195	\$ 88,331,731	\$ 81,214,818	\$ 81,607,092	\$ 82,427,752	\$ 86,534,334	\$ 77,045,318
JMRL (Library) Portion of total net pension liability - ending	1,276,643	2,566,630	3,184,466	2,030,476	2,583,631	2,638,484	2,842,652	3,769,195	3,255,673	2,968,515
CACVB (Visitors Bureau) portion of net pension liability - ending	-	-	-	-	236,272	97,915	346,340	384,073	370,090	384,386
	\$ 77,147,865	\$ 88,602,247	\$ 93,208,350	\$ 63,468,671	\$ 91,151,634	\$ 83,951,217	\$ 84,796,084	\$ 86,581,020	\$ 90,160,097	\$ 80,398,219
Plan fiduciary net position as a percentage of total pension liability	69%	62%	59%	71%	57%	58%	57%	54%	50.29%	54.45%
Covered payroll	\$ 49,793,047	\$ 46,767,615	\$ 40,745,359	\$ 38,981,614	\$ 37,054,637	\$ 39,573,350	\$ 37,845,597	\$ 36,800,404	\$ 34,820,331	\$ 35,324,742
Net pension liability as a percentage of covered payroll	155%	189%	229%	163%	246%	212%	224%	235%	258.9%	227.6%
<i>Pension liability and related ratios are presented for all pension plan members</i>										
<i>Benefit changes:</i>	No benefit changes were approved by Charlottesville City Council									
<i>Changes of assumptions:</i>	In 2017 changes were made in the following actuarial assumptions: salary increases for all employees, retirement rates for all employees, turnover rates for all employees, mortality rates for all employees and Social Security wage base and benefit increases. The unfunded liability has been amortized under a "fresh start" over 20 years as of June 30, 2017.									
<i>Rate of Return:</i>	The annual money-weighted rate of return on pension plan investments, net of plan investment expense, expresses investment performance adjusted for the changing amounts invested as follows:									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	11.65%	11.49%	10.05%	-11.40%	8.64%	8.18%	10.49%	13.71%	-1.80%	3.70%

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-2

SCHEDULE OF PENSION PLAN CONTRIBUTIONS

CITY PENSION PLAN

	<u>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>
Actuarially determined contribution	\$ 16,037,232	\$ 15,746,472	\$ 12,300,995	\$ 11,379,972	\$ 10,797,447	\$ 9,591,629	\$ 10,053,850	\$ 9,910,900	\$ 7,763,084	\$ 6,388,275
Actual contributions in relation to actuarially determined contribution	17,490,115	25,134,883	13,949,835	11,675,185	11,022,358	11,391,629	10,143,794	9,910,900	7,763,084	7,088,275
Contribution deficiency (excess)	<u>\$ (1,452,883)</u>	<u>\$ (9,388,411)</u>	<u>\$ (1,648,840)</u>	<u>\$ (295,213)</u>	<u>\$ (224,911)</u>	<u>\$ (1,800,000)</u>	<u>\$ (89,944)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (700,000)</u>
Covered payroll	48,437,664	46,767,615	40,745,359	38,981,614	37,174,901	38,244,136	40,490,737	37,845,597	\$ 36,800,404	\$ 34,820,331
Actual contributions as a percentage of covered payroll	36.11%	53.74%	34.24%	29.95%	29.65%	29.79%	25.05%	26.19%	21.10%	20.36%

The schedule does not include member contributions

Pension liability and related ratios are presented for all pension plan members

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

Methods and assumptions used to determine contribution rates:

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-3

SCHEDULE OF FUNDING PROGRESS

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2025

Entity Fiscal Year Ended June 30	Actuarially Determined Employer Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 1,762,674	\$ 1,828,270	\$ (65,596)	\$ 61,848,211	2.96%
2024	4,000,455	4,166,962	(166,507)	60,797,188	6.85%
2023	3,263,979	3,380,372	(116,393)	55,134,780	6.13%
2022	3,315,561	3,489,602	(174,041)	43,171,367	8.08%
2021	4,087,636	4,333,409	(245,773)	43,485,490	9.97%
2020	4,627,541	4,627,541	-	38,244,140	12.10%
2019	5,194,962	5,488,448	(293,486)	40,490,740	13.55%
2018	4,919,528	5,217,817	(298,289)	37,726,442	13.83%
2017	3,928,227	3,928,227	-	33,346,579	11.78%
2016	5,879,447	5,879,447	-	37,785,649	15.56%
2015	6,065,000	6,065,000	-	34,776,376	17.44%
2014	5,938,060	5,938,060	-	33,970,595	17.48%

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-4

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability					
Service cost	\$ 932,320	\$ 797,173	\$ 1,073,751	\$ 692,917	\$ 723,701
Interest	5,002,349	4,596,564	5,426,089	5,346,723	5,437,566
Differences between expected and actual experience	2,732,431	4,176,074	(12,761,554)	(2,559,726)	(3,028,258)
Changes in assumptions	1,435,947	397,854	506,048	2,580,406	1,128,007
Benefit Payments	(4,739,514)	(4,645,195)	(5,410,979)	(5,354,883)	(5,528,074)
Net change in total OPEB liability	5,363,533	5,322,470	(11,166,645)	705,437	(1,267,058)
Total OPEB liability - beginning	68,135,421	62,812,951	73,979,596	73,274,159	74,541,217
Total OPEB liability - ending (a)	73,498,954	68,135,421	62,812,951	73,979,596	73,274,159
Plan fiduciary net position					
Contributions - employer	1,828,270	4,166,962	3,380,372	3,489,601	4,333,410
Contributions - employee	939,415	1,013,716	1,014,034	1,140,943	1,232,984
Net investment income	6,861,687	6,401,800	5,331,098	(6,814,457)	13,429,422
Benefit payments, including refunds of employee contributions	(4,739,514)	(4,645,195)	(5,410,979)	(5,354,883)	(5,528,074)
Administrative expense	(105,668)	(115,972)	(114,563)	(103,471)	(102,093)
Other	-	-	(2.00)	2.00	-
Net change in plan fiduciary net position	4,784,190	6,821,311	4,199,960	(7,642,265)	13,365,649
Plan fiduciary net position - beginning	63,563,821	56,742,510	52,542,550	60,184,815	46,819,166
Plan fiduciary net position - ending	\$ 68,348,011	\$ 63,563,821	\$ 56,742,510	\$ 52,542,550	\$ 60,184,815
Total net OPEB liability - ending	\$ 5,150,943	\$ 4,571,600	\$ 6,070,441	\$ 21,437,046	\$ 13,089,344
City Portion of Total net OPEB liability - ending	5,008,569	4,448,638	5,859,384	20,534,203	12,558,938
JMRL (Library) Portion of total net OPEB liability - ending	142,374	122,962	211,057	902,843	530,406
CACVB (Visitors Bureau) portion of net OPEB liability - ending	-	-	-	-	-
	\$ 5,150,943	\$ 4,571,600	\$ 6,070,441	\$ 21,437,046	\$ 13,089,344
Plan fiduciary net position as a percentage of total OPEB liability	92.99%	93.29%	90.34%	71.02%	82.14%
Covered payroll	\$ 61,848,211	\$ 60,797,188	\$ 55,134,780	\$ 43,171,367	\$ 43,485,490
Net OPEB liability as a percentage of covered payroll	8.33%	7.52%	11.01%	49.66%	30.10%

OPEB liability and related ratios are presented for all pension plan members

Benefit changes: No benefit changes were approved by Charlottesville City Council

Changes of assumptions: In 2018 changes were made in the following actuarial assumptions: salary increases for all employees, retirement rates for all employees, turnover rates for all employees, mortality rates for all employees and Social Security wage base and benefit increases.
The unfunded liability has been amortized under a "fresh start" over 20 years as of June 30, 2017.

Rate of Return: The annual money-weighted rate of return on OPEB plan investments, net of plan investment expense, expresses investment performance adjusted for the changing amounts invested as follows:

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
11.65%	11.49%	10.05%	-11.40%	28.70%

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

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



**CHARLOTTESVILLE SCHOOL BOARD
COMPONENT UNIT**

Required Supplementary Information

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-5

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 184,294	\$ 190,245	\$ 157,251	\$ 169,581	\$ 197,515	\$ 176,264	\$ 187,291	\$ 198,247	\$ 195,809	\$ 196,210
Interest	715,018	701,404	692,085	701,011	708,789	731,101	722,190	717,771	718,672	713,114
Differences between expected and actual experience	125,440	91,564	(12,940)	(832,777)	(204,159)	(301,523)	-	(51,816)	(226,626)	-
Changes of assumptions	-	-	-	385,484	-	255,338	(55,260)	(66,534)	-	(853,779)
Benefit payments, including refunds of employee contributions	(788,195)	(762,962)	(699,695)	(725,889)	(908,847)	(700,964)	(752,873)	(716,215)	(685,251)	-
Net change in total pension liability	236,557	220,251	136,701	(302,590)	(206,702)	160,216	101,348	81,453	2,604	55,545
Total pension liability - beginning	10,802,656	10,582,405	10,445,704	10,748,294	10,954,996	10,794,780	10,693,432	10,611,979	10,609,375	10,553,830
Total pension liability - ending	\$ 11,039,213	\$ 10,802,656	\$ 10,582,405	\$ 10,445,704	\$ 10,748,294	\$ 10,954,996	\$ 10,794,780	\$ 10,693,432	\$ 10,611,979	\$ 10,609,375
Plan fiduciary net position										
Contributions - employer	-	-	37,522	35,567	67,014	67,470	84,487	87,234	171,836	164,445
Contributions - employee	107,234	104,384	98,910	96,805	101,183	97,699	94,766	97,046	100,765	96,590
Net investment income	1,211,888	792,619	(5,833)	2,912,633	219,330	728,430	801,592	1,229,764	174,795	472,412
Benefit payments, including refunds of employee contributions	(788,195)	(762,962)	(699,695)	(725,889)	(908,847)	(700,964)	(752,873)	(716,215)	(685,251)	(732,971)
Administrative expense	(8,519)	(8,271)	(8,358)	(7,622)	(7,782)	(7,616)	(7,250)	(7,477)	(6,745)	(6,848)
Other	(781)	(429)	297	271	(246)	(457)	(698)	(1,078)	(76)	(98)
Net change in plan fiduciary net position	521,627	125,341	(577,157)	2,311,765	(529,348)	184,562	220,024	689,274	(244,676)	(6,470)
Plan fiduciary net position - beginning	12,766,899	12,641,558	13,218,715	10,906,950	11,436,298	11,251,736	11,031,712	10,342,438	10,587,114	10,593,584
Plan fiduciary net position - ending	\$ 13,288,526	\$ 12,766,899	\$ 12,641,558	\$ 13,218,715	\$ 10,906,950	\$ 11,436,298	\$ 11,251,736	\$ 11,031,712	\$ 10,342,438	\$ 10,587,114
Total net pension liability - beginning	\$ (1,964,243)	\$ (2,059,153)	\$ (2,773,011)	\$ (158,656)	\$ (481,302)	\$ (456,956)	\$ (338,280)	\$ 269,541	\$ 22,261	\$ (39,754)
Total net pension liability - ending	\$ (2,249,313)	\$ (1,964,243)	\$ (2,059,153)	\$ (2,773,011)	\$ (158,656)	\$ (481,302)	\$ (456,956)	\$ (338,280)	\$ 269,541	\$ 22,261
Plan fiduciary net position as a percentage of total pension liability	-20.38%	-18.18%	-19.46%	-26.55%	-1.48%	-4.39%	-4.23%	-3.16%	2.54%	0.21%
Covered payroll	\$ 2,655,926	\$ 2,387,408	\$ 2,298,354	\$ 2,108,308	\$ 2,178,188	\$ 2,087,006	\$ 1,983,725	\$ 1,998,410	\$ 2,058,976	\$ 1,972,080
Net pension liability as a percentage of covered employee payroll	-84.69%	-82.28%	-89.59%	-131.53%	-7.28%	-23.06%	-23.04%	-16.93%	13.09%	1.13%

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-6

SCHEDULE OF PENSION PLAN CONTRIBUTIONS

VIRGINIA RETIREMENT SYSTEM (VRS)

SCHOOL BOARD NON PROFESSIONAL EMPLOYEE PENSION PLAN

	<u>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>
Actuarially determined contribution *	\$ -	\$ -	\$ -	\$ 51,429	\$ 50,178	\$ 67,672	\$ 68,013	\$ 89,157	\$ 191,048	\$ 277,344
Contributions in relation to actuarially determined contribution	-	-	-	51,690	50,178	67,672	68,013	89,157	184,280	272,601
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (261)	\$ -	\$ -	\$ -	\$ -	\$ 6,768	\$ 4,743
Covered payroll	\$ 2,655,926	\$ 2,387,408	\$ 2,298,354	\$ 2,160,890	\$ 2,108,308	\$ 2,178,188	\$ 2,087,006	\$ 1,983,725	\$ 1,998,410	\$ 2,058,976
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	2.39%	2.38%	3.11%	3.26%	4.49%	9.22%	13.24%

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

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

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-7

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School Board's proportion of the Virginia Retirement System net pension liability (asset) (%)	0.45257%	0.44629%	0.46149%	0.46409%	0.4797%	0.4832%	0.4796%	0.4804%	0.4819%	0.4783%
School Board's proportion of the net pension liability (asset) (\$)	41,883,564	44,630,384	43,936,611	36,027,758	69,811,858	63,312,862	56,399,000	\$ 59,082,000	\$ 67,535,000	\$ 60,198,000
School Board's covered payroll	\$ 51,632,719	\$ 47,756,713	\$ 43,294,313	\$ 41,310,321	\$ 42,357,768	\$ 40,460,883	38,941,499	\$ 38,057,049	\$ 36,749,269	\$ 35,536,803
School Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	81.1183%	93.4536%	101.4836%	87.2125%	164.8148%	156.4792%	144.8301%	155.2459%	183.7724%	169.3962%
Plan fiduciary net position as a percentage of the total pension liability	84.52%	82.45%	82.61%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-8

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

	<u>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>
Actuarially determined contribution *	\$ 7,337,009	\$ 7,937,166	\$ 6,970,461	\$ 6,855,433	\$ 6,566,056	\$ 6,381,272	\$ 6,158,803	\$ 6,355,218	\$ 5,579,163	\$ 5,166,947
Contributions in relation to actuarially determined contribution	7,337,009	7,937,166	6,970,461	6,855,433	6,566,056	6,381,272	6,158,803	6,355,218	5,579,163	5,166,168
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 779</u>
Covered payroll	\$ 51,632,719	\$ 47,756,713	\$ 44,224,987	\$ 43,294,313	\$ 41,310,321	\$ 42,357,768	\$ 40,460,883	\$ 38,941,499	\$ 38,057,049	\$ 36,749,269
Contributions as a percentage of covered payroll	14.2%	16.6%	15.8%	15.8%	15.9%	15.1%	15.2%	16.3%	14.7%	14.1%

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

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

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-9

SCHOOL BOARD SCHEDULE OF FUNDING PROGRESS

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 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
Virginia Retirement System - Health Insurance Credit - Nonprofessional					
2025	\$ 24,700	\$ 24,700	\$ -	\$ 2,655,926	0.93%
2024	\$ 22,203	\$ 22,203	\$ -	\$ 2,387,408	0.93%
2023	\$ 21,375	\$ 21,375	\$ -	\$ 2,298,354	0.93%
2022	\$ 15,942	\$ 15,942	\$ -	\$ 2,154,307	0.74%
Virginia Retirement System - Health Insurance Credit - Teachers					
2025	\$ 624,756	\$ 624,756	\$ -	\$ 51,632,719	1.21%
2024	\$ 577,856	\$ 577,856	\$ -	\$ 47,756,713	1.21%
2023	\$ 535,120	\$ 535,120	\$ -	\$ 44,224,987	1.21%
2022	\$ 523,901	\$ 523,901	\$ -	\$ 43,297,608	1.21%
2021	\$ 515,396	\$ 515,396	\$ -	\$ 43,490,629	1.19%
2020	\$ 508,293	\$ 508,293	\$ -	\$ 42,357,767	1.20%
2019	\$ 486,028	\$ 486,028	\$ -	\$ 40,502,306	1.20%
2018	\$ 479,003	\$ 479,003	\$ -	\$ 38,943,365	1.23%
Virginia Retirement System - Group Life Insurance - Nonprofessional					
2025	\$ 12,515	\$ 12,515	\$ -	\$ 2,662,767	0.47%
2024	\$ 12,892	\$ 12,892	\$ -	\$ 2,387,408	0.54%
2023	\$ 12,411	\$ 12,411	\$ -	\$ 2,298,354	0.54%
2022	\$ 11,645	\$ 11,645	\$ -	\$ 2,156,414	0.54%
Virginia Retirement System - Group Life Insurance					
2025	\$ 242,674	\$ 242,674	\$ -	\$ 51,632,719	0.47%
2024	\$ 257,886	\$ 257,886	\$ -	\$ 47,756,713	0.54%
2023	\$ 238,895	\$ 238,895	\$ -	\$ 44,239,834	0.54%
2022	\$ 245,522	\$ 245,522	\$ -	\$ 45,466,972	0.54%
2021	\$ 234,561	\$ 234,561	\$ -	\$ 43,418,630	0.54%
2020	\$ 233,335	\$ 233,335	\$ -	\$ 42,357,767	0.55%
2019	\$ 223,133	\$ 223,133	\$ -	\$ 40,502,306	0.55%
2018	\$ 157,801	\$ 157,801	\$ -	\$ 38,943,365	0.41%
Local Plan - Schools					
2025	\$ 153,947	\$ 153,947	\$ -	*	*
2024	\$ 275,792	\$ 275,792	\$ -	*	*
2023	\$ 207,440	\$ 207,440	\$ -	*	*
2022	\$ 138,880	\$ 138,880	\$ -	*	*
2021	\$ 298,000	\$ 298,000	\$ -	\$ 38,536,000	0.77%
2020	\$ 193,000	\$ 193,000	\$ -	\$ 38,356,000	0.50%
2019	\$ 128,000	\$ 128,000	\$ -	\$ 36,995,000	0.35%
2018	\$ 226,000	\$ 226,000	\$ -	\$ 36,995,000	0.61%

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

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

* No covered payroll provided in Local plan actuary report.

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-10

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	\$ 129,482	\$ 134,004	\$ 164,162	\$ 143,071	\$ 133,000	\$ 148,000	\$ 122,000	\$ 144,000
Interest	87,609	94,437	55,716	81,107	99,000	130,000	129,000	125,000
Differences between expected and actual experience	39,999	(299,699)	-	(14,599)	132,000	(5,000)	(127,000)	-
Changes of assumptions	(17,459)	(40,695)	(303,651)	(539,091)	216,000	(423,000)	-	-
Benefit payments, including refunds of employee contributions	(153,947)	(275,792)	(207,440)	(138,880)	(298,000)	(193,000)	(128,000)	(226,000)
Net change in total OPEB liability	85,684	(387,745)	(291,213)	(468,392)	282,000	(343,000)	(4,000)	43,000
Total OPEB liability - beginning	2,326,650	2,714,395	3,005,608	3,474,000	3,192,000	3,535,000	3,539,000	3,496,000
Total OPEB liability - ending	\$ 2,412,334	\$ 2,326,650	\$ 2,714,395	\$ 3,005,608	\$ 3,474,000	\$ 3,192,000	\$ 3,535,000	\$ 3,539,000
Plan fiduciary net position								
Contributions - employer	153,947	275,792	207,440	138,880	298,000	193,000	128,000	226,000
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(153,947)	(275,792)	(207,440)	(138,880)	(298,000)	(193,000)	(128,000)	(226,000)
Administrative expense	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-	-
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net OPEB liability - beginning	\$ 2,326,650	\$ 2,714,395	\$ 3,005,608	\$ 3,474,000	\$ 3,192,000	\$ 3,535,000	\$ 3,539,000	\$ 3,539,000
Total net OPEB liability - ending	\$ 2,412,334	\$ 2,326,650	\$ 2,714,395	\$ 3,005,608	\$ 3,474,000	\$ 3,192,000	\$ 3,535,000	\$ 3,539,000
Plan fiduciary net position as a percentage of total OPEB liability	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Covered-employee payroll	*	*	*	*	\$ 38,536,000	\$ 38,536,000	\$ 36,995,000	\$ 36,995,000
Net OPEB liability as a percentage of covered-employee payroll	*	*	*	*	9.01%	8.28%	9.56%	9.57%

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

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

* No covered payroll provided in Local plan actuary report.

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT H-11

SCHOOL BOARD SCHEDULE OF FUNDING PROGRESS
SCHEDULE OF EMPLOYER PROPORTIONATE SHARE FOR OPEB PLANS
FOR THE YEAR ENDED JUNE 30, 2025

Entity Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Health Insurance Credit - Nonprofessional					
2025	0.11247%	\$ 32,282	\$ 2,655,926	1.22%	62.13%
2024	0.00171%	\$ 63,879	\$ 2,387,408	2.68%	51.79%
2023	0.00999%	\$ 225,374	\$ 2,298,354	9.81%	39.63%
2022	0.01021%	\$ 208,251	\$ 2,154,307	9.67%	40.52%
Virginia Retirement System - Health Insurance Credit - Teachers					
2025	0.44575%	\$ 5,151,301	\$ 51,632,719	9.98%	21.82%
2024	0.44575%	\$ 5,373,000	\$ 47,756,713	11.25%	17.90%
2023	0.44353%	\$ 5,802,571	\$ 44,224,987	13.12%	15.08%
2022	0.46456%	\$ 5,995,551	\$ 43,297,608	13.85%	13.15%
2021	0.46710%	\$ 6,505,623	\$ 43,490,629	14.96%	9.95%
2020	0.48316%	\$ 6,321,000	\$ 42,357,767	14.92%	8.97%
2019	0.48105%	\$ 6,113,000	\$ 40,502,306	15.09%	9.51%
2018	0.48208%	\$ 6,116,000	\$ 38,943,365	15.70%	7.04%
Virginia Retirement System - Group Life Insurance					
2025	0.00930%	\$ 103,781	\$ 2,655,926	3.91%	73.41%
2024	0.00930%	\$ 117,053	\$ 2,387,408	4.90%	69.30%
2023	0.01021%	\$ 118,872	\$ 2,298,354	5.17%	67.21%
2022	0.01021%	\$ 118,872	\$ 2,156,414	5.51%	67.45%
2021	0.01058%	\$ 176,563	\$ 2,108,308	8.37%	52.64%
2020	0.01063%	\$ 172,978	\$ 2,178,183	7.94%	52.00%
2019	0.01043%	\$ 159,000	\$ 2,084,546	7.63%	51.22%
2018	0.01043%	\$ 163,000	\$ 2,084,546	7.82%	48.86%

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

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



SUPPLEMENTARY SECTION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amount		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Fees and permits	\$ -	\$ -	\$ 42,129	\$ 42,129
Intergovernmental	65,892,337	56,559,544	11,778,788	(44,780,755)
Miscellaneous	2,900,000	2,965,000	167,602	(2,797,398)
Total revenues	68,792,337	59,524,544	11,988,519	(47,536,024)
EXPENDITURES				
Current:				
General government	148,626,201	163,635,788	65,089,580	98,546,207
Public safety	2,181,681	2,181,681	1,204,396	977,286
Community services	14,746,344	14,991,917	6,540,487	8,451,430
Parks, recreation and culture	10,670,903	11,297,948	1,862,391	9,435,557
Education	10,803,885	10,803,885	6,110,678	4,693,207
Conservation and development	68,388,185	66,862,699	8,481,437	58,381,263
Gas	400,422	400,422	-	400,422
Golf	2,000,000	2,000,000	-	2,000,000
Information technology	838,265	838,265	15,182	823,084
Departmental services	1,099,637	1,164,637	931,610	233,027
Risk management	150,000	150,000	-	150,000
Capital outlay	1,174,425	1,435,987	53,468,540	(52,032,553)
Total expenditures - budgetary basis	261,079,948	275,763,229	143,704,301	132,058,930
Less open encumbrances at June 30	-	-	(76,208,889)	-
Total expenditures	261,079,948	275,763,229	67,495,412	132,058,930
Revenues over (under) expenditures	(192,287,611)	(216,238,685)	(55,506,893)	160,731,792
OTHER FINANCING SOURCES (USES)				
Transfers in	10,804,099	38,130,756	35,125,186	(3,005,570)
Transfers out	-	-	(5,331,390)	(5,331,390)
Issuance of debt	22,077,418	22,427,418	51,950,000	29,522,582
Premium on issuance of debt	-	-	6,405,313	6,405,313
Total other financing sources (uses), net	32,881,517	60,558,174	88,149,109	27,590,935
Net change in fund balance	(159,406,094)	(155,680,511)	32,642,216	188,322,727
FUND BALANCE July 1, 2024	4,770,407	4,770,407	4,770,407	-
FUND BALANCE June 30, 2025	<u>\$ (154,635,687)</u>	<u>\$ (150,910,104)</u>	<u>\$ 37,412,623</u>	<u>\$ 188,322,727</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	-	-	1,161,197	1,161,197
Total revenues	-	-	1,161,197	1,161,197
EXPENDITURES				
General government	100,000	371,796	370,286	1,510
Retirement of principle	9,530,223	12,120,224	12,139,189	(18,964)
Interest	3,660,916	5,672,137	5,674,186	(2,049)
Total expenditures - budgetary basis	13,291,139	18,164,157	18,183,661	(19,503)
Less open encumbrances at June 30	-	-	-	-
Total expenditures	13,291,139	18,164,157	18,183,661	(19,503)
Revenue over (under) expenditures	(13,291,139)	(18,164,157)	(17,022,464)	1,141,694
OTHER FINANCING SOURCES (USES)				
Transfers in	13,885,940	13,885,940	13,725,940	(160,000)
Total other financing sources (uses), net	13,885,940	13,885,940	13,725,940	(160,000)
Net change in fund balance	594,801	(4,278,217)	(3,296,524)	981,694
FUND BALANCE July 1, 2024	24,460,034	18,893,988	18,655,621	238,367
FUND BALANCE June 30, 2025	<u>\$ 25,054,835</u>	<u>\$ 14,615,771</u>	<u>\$ 15,359,097</u>	<u>\$ 1,220,061</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

PERMANENT FUND

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

**COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025**

EXHIBIT J

	Special Revenue Funds						Permanent Fund	Totals
	CDBG	Grants	Human Services	CSA	Transit	Opioid Remediation	Cemetery Perpetual Care	
ASSETS								
Cash, cash equivalents and investments	\$ -	\$ 86,826	\$ -	\$ -	\$ -	\$ 752,756	\$ 162,402	\$ 1,001,984
Accounts receivable, net	-	-	-	-	2,979	705,356	100	708,435
Due from other governments	139,672	1,219,547	1,328,801	4,462,555	8,288,354	-	-	15,438,929
Loans receivable	395,416	384,981	-	-	-	-	-	780,397
Inventory	-	-	-	-	-	-	-	-
Total assets	<u>\$ 535,088</u>	<u>\$ 1,691,354</u>	<u>\$ 1,328,801</u>	<u>\$ 4,462,555</u>	<u>\$ 8,291,333</u>	<u>\$ 1,458,112</u>	<u>\$ 162,502</u>	<u>\$ 17,929,745</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
LIABILITIES								
Accounts payable	\$ 7,151	\$ 225,859	\$ 178,932	\$ 800	\$ 195,135	\$ 51,513	\$ -	\$ 659,390
Accrued liabilities	110,997	69,798	163,433	2,622,622	298,255	-	-	3,265,105
Due to other governments	395,416	533,130	-	-	-	-	-	928,546
Due to other funds	21,524	546,485	500,155	(266,208)	7,797,943	-	-	8,599,899
Unearned revenue-other	-	33,719	-	-	-	-	-	33,719
Total liabilities	<u>535,088</u>	<u>1,408,991</u>	<u>842,520</u>	<u>2,357,214</u>	<u>8,291,333</u>	<u>51,513</u>	<u>-</u>	<u>13,486,659</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable opioid remediation revenue	-	-	-	-	-	705,356	-	705,356
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>705,356</u>	<u>-</u>	<u>705,356</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	162,502	162,502
Restricted	-	282,363	-	2,105,341	-	701,243	-	3,088,947
Assigned	-	-	486,281	-	-	-	-	486,281
Total fund balance	<u>-</u>	<u>282,363</u>	<u>486,281</u>	<u>2,105,341</u>	<u>-</u>	<u>701,243</u>	<u>162,502</u>	<u>3,737,730</u>
Total liabilities deferred inflows of resources and fund balance	<u>\$ 535,088</u>	<u>\$ 1,691,354</u>	<u>\$ 1,328,801</u>	<u>\$ 4,462,555</u>	<u>\$ 8,291,333</u>	<u>\$ 1,458,112</u>	<u>\$ 162,502</u>	<u>\$ 17,929,745</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds						Permanent Fund	
	CDBG	Grants	Human Services	CSA	Transit	Opioid Remediation	Cemetery Perpetual	Total
REVENUES								
Intergovernmental	\$ 542,637	\$ 3,961,537	\$ 30,936	\$ 6,902,300	\$ 15,456,444	20,000	\$ -	\$ 26,913,854
Charges for services	-	-	4,445,419	-	54,287	-	-	4,499,706
Investment earnings	-	10,442	-	-	-	11,443	5,427	27,312
Miscellaneous	-	-	100,448	-	19,247	496,828	-	616,523
Total revenues	542,637	3,971,979	4,576,803	6,902,300	15,529,978	528,271	5,427	32,057,395
EXPENDITURES								
General government	-	604,705	-	-	-	-	-	604,705
Public safety	-	1,115,917	-	-	-	-	-	1,115,917
Community services	-	-	-	-	15,831,588	-	-	15,831,588
Health and welfare	108,160	774,399	6,399,267	8,949,482	-	75,375	-	16,306,683
Parks, recreation and culture	-	790,863	-	-	-	-	5,427	796,290
Conservation and development	422,330	1,274,830	-	-	-	-	-	1,697,160
Retirement of principle	11,473	-	13,522	-	3,698	-	-	28,693
Interest	2,493	-	1,521	-	336	-	-	4,350
Capital outlay	1,663	20,550	40,795	-	4,486,848	-	-	4,549,856
Total expenditures	546,119	4,581,264	6,455,105	8,949,482	20,322,470	75,375	5,427	40,935,242
Revenues over (under) expenditures	(3,482)	(609,285)	(1,878,302)	(2,047,182)	(4,792,492)	452,896	-	(8,877,847)
OTHER FINANCING SOURCES (USES)								
Transfers in	3,482	452,267	2,435,408	3,895,606	4,792,492	-	-	11,579,255
Transfers out	-	-	(70,825)	-	-	-	-	(70,825)
Total other financing sources, net	3,482	452,267	2,364,583	3,895,606	4,792,492	-	-	11,508,430
Net change in fund balance	-	(157,018)	486,281	1,848,424	-	452,896	-	2,630,583
FUND BALANCE - JULY 1, 2024	-	439,381	-	256,917	-	248,347	162,502	1,107,147
FUND BALANCE - JUNE 30, 2025	\$ -	\$ 282,363	\$ 486,281	\$ 2,105,341	\$ -	\$ 701,243	\$ 162,502	\$ 3,737,730

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 444,301	\$ 534,623	\$ 542,637	\$ 8,016
Investment earnings	-	-	-	-
Total revenues	444,301	534,623	542,637	8,016
Total revenues				
EXPENDITURES				
Current:				
Conservation and development	669,378	603,585	599,088	4,497
Health and welfare	10,165	161,798	134,914	26,884
Parks, recreation and culture	-	-	5,427	(5,427)
Capital outlay	-	-	1,663	(1,663)
Total expenditures - budgetary basis	679,543	765,383	741,092	32,932
Less open encumbrances at June 30	-	-	(194,973)	194,973
Total expenditures	679,543	765,383	546,119	219,264
Total expenditures - budgetary basis				
Revenues over (under) expenditures	(235,242)	(230,760)	(3,482)	(227,278)
OTHER FINANCING SOURCES (USES)				
Total other financing sources (uses),	-	-	3,482	3,482
Net change in fund balance	(235,242)	(230,760)	-	(230,760)
FUND BALANCE - JULY 1, 2024	-	-	-	-
FUND BALANCE - JUNE 30, 2025	<u>\$ (235,242)</u>	<u>\$ (230,760)</u>	<u>\$ -</u>	<u>\$ (230,760)</u>

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

YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,032,540	\$ 4,823,709	\$ 3,961,537	\$ (862,173)
Investment earnings	-	-	10,442	10,442
Miscellaneous	-	15,000	-	(15,000)
Total revenues	1,032,540	4,838,709	3,971,979	(866,731)
EXPENDITURES				
Current:				
General government	21,458	666,501	604,705	61,796
Public safety	976,455	1,411,947	1,164,993	246,953
Health and welfare	210,252	817,456	774,399	43,058
Parks, recreation and culture	172,723	941,874	790,863	151,011
Conservation and development	424,625	1,631,456	1,425,216	206,240
Stormwater	45,007	45,007	70,592	(25,585)
Capital outlay	4,554	398,011	50,037	347,974
Total expenditures - - budgetary basis	1,855,074	5,912,252	4,880,805	2,567,453
Less open encumbrances at June 30	-	-	(299,541)	299,541
Total expenditures	1,855,074	5,912,252	4,581,264	1,330,988
Revenues over (under) expenditures	(822,534)	(1,073,543)	(609,285)	464,258
OTHER FINANCING SOURCES (USES)				
Transfers in	217,210	514,176	452,267	(61,909)
Total other financing sources (uses), net	217,210	514,176	452,267	(61,909)
Net change in fund balance	(605,324)	(559,367)	(157,018)	402,349
FUND BALANCE - JULY 1, 2024	439,381	439,381	439,381	-
FUND BALANCE - JUNE 30, 2025	<u>\$ (165,943)</u>	<u>\$ (119,986)</u>	<u>\$ 282,363</u>	<u>\$ 402,349</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HUMAN SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 190,000	\$ 190,000	\$ 30,936	\$ (159,064)
Charges for services	4,626,971	4,626,971	4,445,419	(181,552)
Miscellaneous	50,000	50,000	100,448	50,448
Total revenues	<u>4,866,971</u>	<u>4,866,971</u>	<u>4,576,803</u>	<u>(290,168)</u>
EXPENDITURES				
Current:				
Health and welfare	7,242,929	7,242,929	6,399,818	843,111
Capital outlay	40,795	40,795	81,590	(40,795)
Total expenditures - budgetary basis	<u>7,242,929</u>	<u>7,242,929</u>	<u>6,481,408</u>	<u>843,111</u>
Less open encumbrances at June 30	-	-	(26,303)	(26,303)
Total expenditures	<u>7,242,929</u>	<u>7,242,929</u>	<u>6,455,105</u>	<u>869,414</u>
Revenues over (under) expenditures	<u>(2,375,958)</u>	<u>(2,375,958)</u>	<u>(1,878,302)</u>	<u>579,246</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,375,408	2,435,408	2,435,408	-
Transfers out	-	-	(70,825)	(70,825)
Total other financing sources (uses), net	<u>2,375,408</u>	<u>2,435,408</u>	<u>2,364,583</u>	<u>(70,825)</u>
Net change in fund balance	(550)	59,450	486,281	508,421
FUND BALANCE - JULY 1, 2024	-	-	-	-
FUND BALANCE - JUNE 30, 2025	<u>\$ (550)</u>	<u>\$ 59,450</u>	<u>\$ 486,281</u>	<u>\$ 508,421</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CHILDREN'S SERVICES ACT FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,440,142	\$ 6,440,142	\$ 6,902,300	\$ 462,158
Total revenues	6,440,142	6,440,142	6,902,300	462,158
EXPENDITURES				
Current:				
Health and welfare	8,190,142	8,190,142	8,949,482	(759,340)
Total expenditures - budgetary basis	8,190,142	8,190,142	8,949,482	(759,340)
Less open encumbrances at June 30	-	-	-	-
Total expenditures	8,190,142	8,190,142	8,949,482	(759,340)
Revenues over (under) expenditures	(1,750,000)	(1,750,000)	(2,047,182)	(297,182)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,750,000	1,750,000	3,895,606	2,145,606
Total other financing sources (uses), net	1,750,000	1,750,000	3,895,606	2,145,606
Net change in fund balance	-	-	1,848,424	1,848,424
FUND BALANCE - JULY 1, 2024	256,917	256,917	256,917	-
FUND BALANCE - JUNE 30, 2025	<u>\$ 256,917</u>	<u>\$ 256,917</u>	<u>\$ 2,105,341</u>	<u>\$ 1,848,424</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSIT FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 20,545,840	\$ 27,721,605	\$ 15,456,444	\$ (12,265,162)
Charges for services	25,000	25,000	54,287	29,287
Miscellaneous	-	-	19,247	19,247
Total revenues	20,570,840	27,746,605	15,529,978	(12,216,628)
EXPENDITURES				
Current:				
Community services	22,621,795	22,665,410	18,159,195	4,506,215
Capital outlay	6,859,745	14,294,747	4,486,848	9,807,900
Total expenditures - budgetary basis	29,481,540	36,960,157	22,646,043	14,314,115
Less open encumbrances at June 30	-	-	(2,323,573)	2,323,573
Total expenditures	29,481,540	36,960,157	20,322,470	16,637,688
Revenues over (under) expenditures	(8,910,700)	(9,213,552)	(4,792,492)	(4,421,060)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,821,089	8,123,941	4,792,492	(3,331,449)
Total other financing sources (uses), net	7,821,089	8,123,941	4,792,492	(3,331,449)
Net change in fund balance	(1,089,611)	(1,089,611)	-	(1,089,611)
FUND BALANCE - JULY 1, 2024	-	-	-	-
FUND BALANCE - JUNE 30, 2025	<u>\$ (1,089,611)</u>	<u>\$ (1,089,611)</u>	<u>\$ -</u>	<u>\$ (1,089,611)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID REMEDIATION FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	-	25,000	20,000	(5,000)
Investment earnings	-	-	11,443	11,443
Miscellaneous	\$ -	\$ 383,437	\$ 496,828	\$ 113,391
Total revenues	-	408,437	528,271	119,834
EXPENDITURES				
Current:				
Health and Welfare			75,375	
Total expenditures - budgetary basis	-	408,437	75,375	333,062
	-	-	-	-
Revenues over (under) expenditures	-	-	452,896	-
Net change in fund balance	-	-	452,896	
FUND BALANCE - JULY 1, 2024	-	-	248,347	-
FUND BALANCE - JUNE 30, 2025	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 701,243</u>	<u>\$ -</u>

INTERNAL SERVICE FUNDS

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

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

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

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

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

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2025

	Information Technology	Departmental Services	Warehouse	Risk Management	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,920,007	\$ 59,289	\$ -	\$ 12,991,269	\$ 20,970,565
Accounts receivable, net	-	-	61,263	-	61,263
Inventories	-	145,189	1,069,377	-	1,214,566
Prepaid expenses	-	-	-	93,128	93,128
Total current assets	7,920,007	204,478	1,130,640	13,084,397	22,339,522
Noncurrent assets:					
Buildings and improvements	-	48,364	-	-	48,364
Vehicles	-	25,200	-	-	25,200
Equipment	9,996,082	320,520	20,067	-	10,336,669
Lease assets	-	3,707	3,719	-	7,426
SBITA assets	-	2,449	-	-	2,449
Accumulated depreciation	(9,869,088)	(390,402)	(20,067)	-	(10,279,557)
Total noncurrent assets	126,994	9,838	3,719	-	140,551
Total assets	8,047,001	214,316	1,134,359	13,084,397	22,480,073
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges-pension	254,912	433,075	48,429	76,192	812,608
Deferred charges-OPEB	2,158	104,837	11,238	23,421	141,654
Total deferred outflows of resources	257,070	537,912	59,667	99,613	954,262
LIABILITIES					
Current liabilities:					
Accounts payable	504,818	116,396	241,887	936,588	1,799,689
Accrued liabilities	8,568	32,849	4,951	3,927,443	3,973,811
Due to other funds	-	3,146,264	380,392	-	3,526,656
Liabilities due in less than one year	3,311	15,531	4,311	3,093	26,246
Total current liabilities	516,697	3,311,040	631,541	4,867,124	9,326,402
Noncurrent liabilities:					
Liabilities due in more than one year	24,280	117,106	35,378	22,680	199,444
Net pension liability	1,520,840	990,050	121,732	33,286	2,665,908
Net OPEB liability	891,869	91,407	7,755	8,796	999,827
Total noncurrent liabilities	2,436,989	1,198,563	164,865	64,762	3,865,179
Total liabilities	2,953,686	4,509,603	796,406	4,931,886	13,191,581
DEFERRED INFLOWS OF RESOURCES					
Deferred charges-pension	118,293	114,213	25,386	29,555	287,447
Deferred charges-OPEB	46,839	88,374	26,666	19,268	181,147
Total deferred inflows of resources	165,132	202,587	52,052	48,823	468,594
NET POSITION					
Net investment in capital assets	126,994	6,630	(44)	-	133,580
Unrestricted	5,058,259	(3,966,592)	345,613	8,203,302	9,640,582
Total net position	\$ 5,185,253	\$ (3,959,962)	\$ 345,569	\$ 8,203,302	\$ 9,774,162

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

JUNE 30, 2025

	Information Technology	Departmental Services	Warehouse	Risk Management	Total
OPERATING REVENUES					
Charges for services	\$ 1,689,734	\$ 2,729,393	\$ 1,051,223	\$ 22,093,859	\$ 27,564,209
Total operating revenues	<u>1,689,734</u>	<u>2,729,393</u>	<u>1,051,223</u>	<u>22,093,859</u>	<u>27,564,209</u>
OPERATING EXPENSES					
Purchases for resale	-	706,730	851,951	-	1,558,681
Personnel costs	275,573	1,068,775	192,545	307,695	1,844,588
Materials and supplies	490,069	61,791	4,222	15,706	571,788
Contractual services and charges	3,322,604	1,407,260	41,832	782,414	5,554,110
Depreciation	139,448	2,028	635	-	142,111
Claims incurred	-	-	-	21,286,733	21,286,733
Insurance premiums	-	-	-	3,881,640	3,881,640
Total operating expenses	<u>4,227,694</u>	<u>3,246,584</u>	<u>1,091,185</u>	<u>26,274,188</u>	<u>34,839,651</u>
Operating income (loss)	<u>(2,537,960)</u>	<u>(517,191)</u>	<u>(39,962)</u>	<u>(4,180,329)</u>	<u>(7,275,442)</u>
NONOPERATING REVENUES					
Interest income	-	-	-	215,811	215,811
Insurance recovery	-	8,184	-	384,220	392,404
Total nonoperating revenues	<u>-</u>	<u>8,184</u>	<u>-</u>	<u>600,031</u>	<u>608,215</u>
Profit/(Loss) before transfers	<u>(2,537,960)</u>	<u>(509,007)</u>	<u>(39,962)</u>	<u>(3,580,298)</u>	<u>(6,667,227)</u>
Transfers in	-	-	-	3,500,000	3,500,000
Change in net position	<u>(2,537,960)</u>	<u>(509,007)</u>	<u>(39,962)</u>	<u>(80,298)</u>	<u>(3,167,227)</u>
Total net position - July 1, 2024	<u>7,748,610</u>	<u>(3,305,839)</u>	<u>408,327</u>	<u>8,297,878</u>	<u>13,148,976</u>
Restatements and Adjustments	(25,397)	(145,116)	(22,796)	(14,278)	(207,587)
Total net position - July 1, 2024 Restated	<u>7,723,213</u>	<u>(3,450,955)</u>	<u>385,531</u>	<u>8,283,600</u>	<u>12,941,389</u>
Total net position - June 30, 2025	<u>\$ 5,185,253</u>	<u>\$ (3,959,962)</u>	<u>\$ 345,569</u>	<u>\$ 8,203,302</u>	<u>\$ 9,774,162</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**
JUNE 30, 2025

	Information Technology	Departmental Services	Warehouse	Risk Management	Total
OPERATING ACTIVITIES					
Receipts from customers	\$ 1,689,734	\$ 2,729,393	\$ 1,009,395	\$ 22,093,859	\$ 27,522,381
Payments to suppliers	(3,322,534)	(1,578,656)	(817,589)	(24,199,987)	(29,918,766)
Payments to employees	(281,256)	(1,170,836)	(191,806)	(394,911)	(2,038,809)
Net cash provided by (used in) operating activities	(1,914,056)	(20,099)	-	(2,501,039)	(4,435,194)
NONCAPITAL FINANCING ACTIVITIES					
Insurance recovery	-	8,184	-	384,220	392,404
Transfers in	-	-	-	3,500,000	3,500,000
Net cash provided by (used in) noncapital financing activities	-	8,184	-	3,884,220	3,892,404
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(18,195)	-	-	-	(18,195)
Net cash provided by (used in) capital and related financing activities	(18,195)	-	-	-	(18,195)
INVESTING ACTIVITIES					
Interest on investments	-	-	-	215,811	215,811
Net cash provided by investing activities	-	-	-	215,811	215,811
Net increase (decrease) in cash and cash equivalents	(1,932,251)	(11,915)	-	1,598,992	(345,174)
Balances - July 1, 2024	9,852,258	71,205	-	11,392,277	21,315,740
Balances - June 30, 2025	<u>\$ 7,920,007</u>	<u>\$ 59,289</u>	<u>\$ -</u>	<u>\$ 12,991,269</u>	<u>\$ 20,970,565</u>
Reconciliation of operating income (loss) to net cash used in operating activities					
Operating Income (Loss)	(2,537,960)	(517,191)	(39,962)	(4,180,329)	(7,275,442)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	139,448	2,028	635	-	142,111
(Increase) decrease in accounts receivable	-	-	(37,475)	-	(37,475)
(Increase) decrease in inventories	-	(19,945)	(246,252)	-	(266,197)
Increase (decrease) in accounts payable	490,140	617,070	322,315	848,223	2,277,748
Increase (decrease) in accrued liabilities	1,581	7,372	1,126	(111,201)	(101,122)
Increase (decrease) in compensated absences	(10,393)	(75,112)	8,037	3,944	(73,524)
Increase (decrease) in insurance claims payable	-	-	-	946,560	946,560
Net pension liability change for measurement year	8,624	44,063	(2,078)	(414)	50,195
Net OPEB liability change for measurement year	(5,496)	(78,384)	(6,346)	(7,822)	(98,048)
Net cash provided by (used in) operating activities	<u>\$ (1,914,056)</u>	<u>\$ (20,099)</u>	<u>\$ -</u>	<u>\$ (2,501,039)</u>	<u>\$ (4,435,194)</u>



**CHARLOTTESVILLE SCHOOL BOARD
COMPONENT UNIT**

Financial Statements

CITY OF CHARLOTTESVILLE, VIRGINIA

EXHIBIT M-1

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 40,297,808
Accounts receivable, net	535,572
Due from other governments	2,446,780
Inventories	8,097
Net pension asset	2,249,313
Capital assets:	
Land	982,889
Depreciable assets, net	16,290,702
Total assets	62,811,161
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges - pension	15,803,503
Deferred charges - OPEB	1,829,551
Total deferred outflows of resources	17,633,054
LIABILITIES	
Accounts payable	4,224,047
Accrued liabilities	4,246,955
Due to other governments	1,464,765
Unearned revenue	14,208
Long-term liabilities:	
Amounts due within one year	1,116,225
Amounts due in more than one year	8,185,653
Net pension liability	41,883,564
Net OPEB liability	9,775,201
Total liabilities	70,910,618
DEFERRED INFLOWS OF RESOURCES	
Deferred credits - pension	8,807,220
Deferred credits - OPEB	2,354,071
Total deferred inflows of resources	11,161,291
NET POSITION	
Net investment in capital assets	17,273,591
Restricted	18,013,145
Restricted for Net Pension Asset	22,493,313
Unrestricted	(59,407,743)
Total net position	\$ (1,627,694)

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction and instruction related services	\$ 74,462,406	5,238,849	\$ 10,395,933	\$ -	\$ (58,827,624)
Support services - student based	15,785,914	263,021	-	-	(15,522,893)
Administrative support services	8,044,723	265,979	-	-	(7,778,743)
Total School Board	<u>\$ 98,293,043</u>	<u>\$ 5,767,849</u>	<u>\$ 10,395,933</u>	<u>\$ -</u>	<u>(82,129,260)</u>
General Revenues:					
					20,723,777
State aid - formula grants					64,613,080
Payment from City					<u>85,336,857</u>
Total general revenues					85,336,857
Change in net position					3,207,596
Total Net Position - July 1, 2024					<u>(4,835,290)</u>
Net position - June 30, 2025					<u>\$ (1,627,694)</u>

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Grant and Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 18,280,150	16,699,229	\$ 34,979,379
Accounts receivable, net	209,232	322,588	531,820
Due from other governments	627,242	1,819,538	2,446,780
Inventory of supplies	-	8,097	8,097
Total assets	<u>\$ 19,116,624</u>	<u>\$ 18,849,452</u>	<u>\$ 37,966,076</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	404,096	183,090	\$ 587,186
Accrued liabilities	2,955,569	639,009	3,594,578
Due to other governments	-	-	-
Unearned Revenue	-	14,208	14,208
Due to City - Gainshare	<u>1,464,765</u>	<u>-</u>	<u>1,464,765</u>
Total liabilities	<u>4,824,430</u>	<u>836,307</u>	<u>5,660,737</u>
Fund Balance			
Nonspendable	-	8,097	8,097
Restricted	-	18,005,048	18,005,048
Unassigned	<u>10,655,334</u>	<u>-</u>	<u>10,655,334</u>
Total fund balances	<u>10,655,334</u>	<u>18,013,145</u>	<u>28,668,479</u>
Total liabilities and fund balances	<u>\$ 15,479,764</u>	<u>\$ 18,849,452</u>	<u>\$ 34,329,216</u>
Total fund balances per Balance Sheet for Governmental Funds			\$ 28,668,479
Amounts reported for governmental activities in the Statement of Net Position (Exhibit M-1) are different because:			
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The Statement of Net Position, however, includes these assets, net of accumulated depreciation.			17,273,591
Other long-term assets are not available to pay current-period expenditures and therefore are deferred in the governmental funds are not included in the fund balance.			
Net Pension Asset			2,249,313
Net deferred outflows of resources for pension changes			15,803,503
Net deferred outflows of resources for OPEB changes			1,829,551
Internal service funds are used by management to charge the cost of certain activities. The assets and liabilities of the Healthcare Fund are included in governmental activities in the Statement of Net Position.			
Internal Service Fund net position			4,669,803
Some liabilities are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities are included in the Statement of Net Position			
Net deferred inflows of resources for Pension changes			(8,807,220)
Net deferred inflows of resources for OPEB changes			(2,354,071)
Compensated absences			(9,301,878)
Net pension liability			(41,883,564)
Net OPEB liability			<u>(9,775,201)</u>
Net position of governmental activities			<u>\$ (1,627,694)</u>

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Grant and Other Governmental Funds	Totals
REVENUES			
City contribution (net of contractual services)	\$ 58,139,168	6,473,912	\$ 64,613,080
Intergovernmental	20,723,777	10,395,933	31,119,710
Charges for services	263,021	131,183	394,204
Miscellaneous	265,979	5,107,665	5,373,645
Total revenues	79,391,945	22,108,693	101,500,639
EXPENDITURES			
Current:			
Instruction and instruction related services	58,894,369	14,314,707	73,209,076
Support services - student based	11,015,546	5,183,805	16,199,351
Administrative support services	7,917,265	-	7,917,265
Total expenditures	77,827,180	19,498,512	97,325,692
REVENUES OVER EXPENDITURES	1,564,765	2,610,182	4,174,947
Net change in fund balance	1,564,765	2,610,182	4,174,947
FUND BALANCE - JULY 1, 2024	9,090,568	15,402,963	24,493,531
FUND BALANCE - JUNE 30, 2025	<u>\$ 10,655,333</u>	<u>\$ 18,013,145</u>	<u>\$ 28,668,478</u>
Net change in fund balances - total governmental funds			\$ 4,174,947
Amounts reported for governmental activities in the Statement of Activities (M-2) are different because:			
Governmental funds report the cost of equipment and facilities acquired as current expenditures while the Statement of Activities reports depreciation expense to allocate those expenditures over the life of the assets.			
Cost of equipment and facilities capitalized for the year (net of disposals)			1,156,939
Depreciation expense			(1,704,370)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.			
Change in compensated absences			(6,396,830)
Change in pension outflows and inflows			1,114,835
Change in OPEB outflows and inflows			217,087
Change in net pension liability			3,031,890
Change in net OPEB liability			357,812
The net income of internal service funds is combined with governmental activities on the Statement of Activities			
			1,255,287
Change in net position of governmental activities			<u>\$ 3,207,597</u>

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2025

	<u>Healthcare</u>
ASSETS	
Cash and cash equivalents	5,318,428
Accounts receivable, net	<u>3,752</u>
Total assets	<u>5,322,180</u>
 ACCRUED LIABILITIES	
Insurance claims payable	<u>652,377</u>
Total liabilities	<u>652,377</u>
 NET POSITION	
Unrestricted	<u>4,669,803</u>
Total net position	<u><u>\$ 4,669,803</u></u>

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Healthcare</u>
OPERATING REVENUES	
Charges for services	\$ 10,090,726
Total operating revenues	<u>10,090,726</u>
 OPERATING EXPENSES	
Claims incurred and related charges	8,835,439
Total operating expenses	<u>8,835,439</u>
 Operating income	<u>1,255,287</u>
 Change in net position	1,255,287
 Total net position - July 1, 2023	<u>3,414,516</u>
Total net position - June 30, 2024	<u><u>\$ 4,669,803</u></u>

DISCRETELY PRESENTED COMPONENT UNIT - CHARLOTTESVILLE SCHOOL BOARD
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Healthcare
OPERATING ACTIVITIES	
Receipts from customers	\$ 10,089,085
Payments to suppliers	<u>(8,877,606)</u>
Net cash provided by operating activities	<u>1,211,479</u>
Net increase in cash and cash equivalents	1,211,479
Cash and cash equivalents July 1, 2023	<u>4,106,949</u>
Cash and cash equivalents, June 30, 2024	<u><u>\$ 5,318,428</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,255,287
Adjustments to reconcile operating income to net	
Decrease in accounts receivables	(1,641)
Increase in insurance claims payable	<u>(42,167)</u>
Net cash provided by operating activities	<u><u>\$ 1,211,479</u></u>



STATISTICAL SECTION

STATISTICAL SECTION

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

Contents

Financial Trends

Tables 1 - 4

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

Revenue Capacity

Tables 5 - 10

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

Debt Capacity

Tables 11 - 14

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

Economic and Demographic Information

Tables 15 - 17

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

Operating Information

Tables 18 - 20

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 1

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Net investment in capital assets	\$ 320,768,490	\$ 271,671,666	\$ 178,213,360	\$ 146,771,789	\$ 148,423,736	\$ 156,302,696	\$ 150,327,831	\$ 147,349,262	\$ 129,422,307	\$ 138,310,542
Restricted For:										
Expendable	-	1,835,526	1,247,928	1,227,703	-	-	-	340,099	378,342	1,097,425
Nonexpendable	162,502	162,502	162,502	171,962	1,109,033	961,814	668,533	184,504	5,663,251	4,891,126
Unrestricted	(31,608,815)	3,638,688	52,726,131	23,331,106	138,014	(11,771,787)	(6,781,306)	(10,616,958)	34,145,789	11,167,288
Total governmental activities net position	<u>\$ 289,322,177</u>	<u>\$ 277,308,382</u>	<u>\$ 232,349,921</u>	<u>\$ 171,502,560</u>	<u>\$ 149,670,783</u>	<u>\$ 145,492,723</u>	<u>\$ 144,215,058</u>	<u>\$ 137,256,907</u>	<u>\$ 169,609,689</u>	<u>\$ 155,466,381</u>
Business-type activities:										
Net investment in capital assets	\$ 61,655,328	\$ 59,048,149	\$ 50,401,414	\$ 44,909,801	\$ 45,218,630	\$ 49,896,266	\$ 43,208,912	\$ 41,719,356	\$ 33,246,970	\$ 28,416,350
Restricted-expendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	13,316,641	11,822,988	16,035,663	21,607,679	12,639,169	5,036,771	8,577,443	5,800,462	19,663,499	24,816,588
Total business-type activities net position	<u>\$ 74,971,969</u>	<u>\$ 70,871,137</u>	<u>\$ 66,437,077</u>	<u>\$ 66,517,480</u>	<u>\$ 57,857,799</u>	<u>\$ 54,933,037</u>	<u>\$ 51,786,355</u>	<u>\$ 47,519,818</u>	<u>\$ 52,910,469</u>	<u>\$ 53,232,938</u>
Primary Government:										
Net investment in capital assets	\$ 382,423,818	\$ 330,719,815	\$ 228,614,774	\$ 191,681,590	\$ 193,642,366	\$ 206,198,962	\$ 193,536,743	\$ 189,068,618	\$ 162,669,277	\$ 166,726,892
Restricted For:										
Expendable	-	1,835,526	1,247,928	1,227,703	-	-	-	340,099	378,342	1,097,425
Nonexpendable	162,502	162,502	162,502	171,962	1,109,033	961,814	668,533	184,504	5,663,251	4,891,126
Unrestricted	(18,292,174)	15,461,676	68,761,794	44,938,785	12,777,183	(6,735,016)	1,796,137	(4,816,496)	53,809,288	35,983,876
Total primary government net position	<u>\$ 364,294,146</u>	<u>\$ 348,179,519</u>	<u>\$ 298,786,998</u>	<u>\$ 238,020,040</u>	<u>\$ 207,528,582</u>	<u>\$ 200,425,760</u>	<u>\$ 196,001,413</u>	<u>\$ 184,776,725</u>	<u>\$ 222,520,158</u>	<u>\$ 208,699,319</u>

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

Schedule prepared using the accrual basis of accounting

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
General government	\$ 39,028,191	\$ 43,974,181	\$ 29,628,675	\$ 40,219,990	\$ 32,639,091	\$ 28,371,946	\$ 28,445,537	\$ 21,921,172	\$ 25,116,791	\$ 27,127,026
Public safety	53,021,127	40,416,952	41,402,137	37,098,350	38,168,385	39,716,740	39,513,247	39,334,221	45,118,838	38,827,913
Community services	34,800,290	27,853,469	29,215,029	21,951,554	24,058,257	22,139,189	22,110,867	19,938,224	25,259,071	23,003,605
Health and welfare	42,572,287	34,511,833	35,020,443	35,027,830	36,271,499	35,800,041	35,670,836	34,893,670	37,155,165	31,493,206
Parks, recreation and culture	21,950,758	18,330,724	15,972,266	15,212,695	12,079,902	14,638,408	14,061,131	13,476,760	17,120,453	13,868,610
Education	81,587,257	69,903,190	65,924,088	66,009,065	59,179,414	59,941,139	55,709,768	52,237,967	52,714,685	50,053,416
Conservation and development	27,812,478	18,366,910	14,602,408	17,443,746	16,759,036	18,093,478	15,426,140	15,142,115	12,626,012	10,244,623
Interest on long-term debt	4,376,156	2,626,108	2,342,281	1,694,940	1,892,395	919,779	860,768	3,705,543	1,746,162	2,465,754
Total governmental activities	<u>305,148,544</u>	<u>255,983,367</u>	<u>234,107,327</u>	<u>234,658,170</u>	<u>221,047,979</u>	<u>219,620,720</u>	<u>211,798,294</u>	<u>200,649,672</u>	<u>216,857,177</u>	<u>197,084,153</u>
Business-type activities:										
Water	16,300,145	13,567,474	12,552,647	11,441,564	10,560,049	10,183,626	10,037,485	9,056,356	8,971,472	8,332,731
Sewer	14,715,273	13,815,189	12,894,454	12,305,110	12,914,698	12,244,661	13,623,419	10,762,194	10,301,902	10,583,241
Gas	25,159,606	22,090,866	28,831,476	28,114,095	21,447,761	19,019,501	22,276,461	23,467,175	23,698,603	18,420,330
Other enterprise funds	2,830,406	2,699,247	2,743,763	2,475,771	2,442,938	2,355,636	1,616,129	1,459,846	1,534,483	1,393,942
Total business-type activities	<u>59,005,430</u>	<u>52,172,776</u>	<u>57,022,340</u>	<u>54,336,540</u>	<u>47,365,446</u>	<u>43,803,424</u>	<u>47,553,494</u>	<u>44,745,571</u>	<u>44,506,460</u>	<u>38,730,244</u>
Total Primary Government Expenses	<u>\$ 364,153,974</u>	<u>\$ 308,156,143</u>	<u>\$ 291,129,667</u>	<u>\$ 288,994,710</u>	<u>\$ 268,413,425</u>	<u>\$ 263,424,144</u>	<u>\$ 259,351,788</u>	<u>\$ 245,395,243</u>	<u>\$ 261,363,637</u>	<u>\$ 235,814,397</u>
Program Revenues										
Governmental activities:										
Charges for Services										
General government	\$ 12,883,638	\$ 12,232,227	\$ 12,169,364	\$ 10,936,503	\$ 2,164,225	\$ 2,059,764	\$ 2,171,318	\$ 900,906	\$ 7,808,336	\$ 13,289,075
Public safety	432,266	434,722	377,848	163,913	92,620	167,254	56,035	165,172	7,130,597	12,349
Community services	662,691	609,062	1,319,311	654,851	859,721	1,186,067	1,305,654	1,336,122	5,112,907	1,968,282
Health and welfare	4,445,513	3,194,648	3,692,546	4,440,760	4,525,367	4,746,752	5,235,853	5,594,608	8,753,432	4,653,306
Parks, recreation and culture	1,263,494	1,083,549	1,043,233	850,046	389,345	974,336	1,588,889	1,117,006	5,350,770	1,630,679
Education	137,696	139,260	123,841	53,133	12,336	163,775	210,003	209,591	1,288,687	214,120
Conservation and development	6,797,718	4,236,126	3,017,383	2,913,388	2,328,459	4,143,519	4,803,067	2,787,740	3,922,782	40,047
Operating Grants and Contributions										
General government	13,265,587	4,925,027	3,163,129	3,641,175	11,101,348	3,099,467	3,065,503	2,503,684	29,242,564	151,621
Public safety	6,112,144	6,187,590	6,844,173	5,257,546	4,856,650	4,980,799	4,686,110	997,666	1,636,764	718,675
Community services	18,789,603	14,816,041	22,827,948	10,033,919	8,891,692	9,203,947	7,623,041	8,204,371	5,441,190	5,028,690
Health and welfare	1,912,178	1,413,928	3,271,626	7,540,124	3,105,847	1,728,546	1,838,249	18,423,390	17,076,168	16,730,096
Parks, recreation and culture	928,001	398,131	222,920	382,125	700,518	235,102	621,157	644,671	467,158	218,771
Education	4,619,077	14,611,088	2,716,934	3,193,106	200,000	200,000	-	228,081	347,685	217,188
Conservation and development	6,882,787	6,182,531	1,606,738	2,680,887	4,659,459	529,701	3,502,830	3,292,265	4,506,454	185,529
Gas	-	-	-	-	-	-	-	0	-	-
Capital Grants and Contributions										
General government	64,783	-	241,665	568,595	193,071	-	-	-	-	-
Public safety	-	-	-	592,409	34,370	-	154,845	(34,568,687)	(34,568,687)	-
Community services	-	-	2,948,082	-	1,779,503	-	661,930	411,471	592,408	3,039,031
Parks, recreation and culture	-	-	22,510	518,523	-	1,131,851	1,131,851	1,131,851	1,131,851	-
Education	-	140,552	475,028	946,047	-	-	-	-	-	119,915
Conservation and development	-	-	3,178,341	486,746	-	4,626,998	60,800	3,323,240	5,977,748	-
Total governmental activities	<u>79,197,176</u>	<u>70,604,482</u>	<u>69,262,620</u>	<u>55,853,796</u>	<u>45,894,531</u>	<u>39,177,878</u>	<u>38,717,135</u>	<u>16,703,148</u>	<u>71,218,814</u>	<u>48,217,374</u>
Business-type activities:										
Charges for Services										
Water	17,560,487	16,913,147	15,194,347	13,674,925	12,254,574	12,578,445	11,815,767	11,049,045	11,189,236	10,311,760
Sewer	17,908,867	16,802,775	15,804,318	15,423,099	14,928,814	15,531,423	15,201,858	14,562,317	14,704,642	13,254,116
Gas	32,053,612	25,813,332	28,363,102	34,881,091	25,453,987	21,209,685	27,104,835	22,419,210	20,544,734	22,813,188
Other enterprise funds	2,275,606	3,359,503	3,366,606	3,267,081	3,228,518	2,844,140	2,720,462	2,780,797	2,810,284	2,719,146
Operating Grants and Contributions										
Other enterprise funds	367,331	314,368	19,613	50,915	-	-	-	-	-	-
Capital Grants and Contributions										
Other enterprise funds	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>70,165,903</u>	<u>63,203,125</u>	<u>62,747,986</u>	<u>67,297,111</u>	<u>55,865,893</u>	<u>52,163,693</u>	<u>56,842,922</u>	<u>50,811,369</u>	<u>49,248,896</u>	<u>49,098,210</u>
Total Primary Government Revenues	<u>\$ 149,363,079</u>	<u>\$ 133,807,607</u>	<u>\$ 132,010,606</u>	<u>\$ 123,150,907</u>	<u>\$ 101,760,424</u>	<u>\$ 91,341,571</u>	<u>\$ 95,560,057</u>	<u>\$ 67,514,517</u>	<u>\$ 120,467,710</u>	<u>\$ 97,315,584</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2024	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expense) Revenue										
Governmental activities:										
General government	\$ (12,814,183)	\$ (26,816,927)	\$ (14,054,517)	\$ (25,073,717)	\$ (19,180,447)	\$ (23,212,715)	\$ (23,208,716)	\$ (18,516,582)	\$ 11,934,109	\$ (13,686,330)
Public safety	(46,476,717)	(33,794,640)	(34,180,116)	(31,084,482)	(33,184,745)	(34,568,687)	(34,616,257)	(72,740,070)	(70,920,164)	(38,096,889)
Community services	(15,347,996)	(12,428,366)	(2,119,688)	(11,262,784)	(12,527,341)	(11,749,175)	(12,520,242)	(9,986,260)	(14,112,566)	(12,967,602)
Health and welfare	(36,214,596)	(29,903,257)	(28,056,271)	(22,528,423)	(28,640,285)	(28,192,892)	(27,464,883)	(9,743,821)	(10,193,714)	(10,109,804)
Parks, recreation and culture	(19,759,263)	(16,849,044)	(14,706,113)	(13,462,001)	(10,990,039)	(12,297,119)	(10,719,234)	(10,583,232)	(10,170,674)	(12,019,160)
Education	(76,830,484)	(55,012,290)	(62,608,285)	(61,816,779)	(58,967,078)	(59,577,364)	(55,499,765)	(51,800,295)	(51,078,313)	(49,502,193)
Conservation and development	(14,131,973)	(7,948,253)	(6,799,946)	(11,362,725)	(9,771,118)	(8,793,260)	(7,059,443)	(5,738,870)	1,780,972	(10,019,047)
Interest on long-term debt	(4,376,156)	(2,626,108)	(2,342,281)	(1,694,940)	(1,892,395)	(919,779)	(860,768)	(3,705,543)	(1,746,162)	(2,465,754)
Gas	-	-	-	-	-	-	-	-	-	-
Total governmental activities	(225,951,368)	(185,378,885)	(164,867,217)	(178,285,851)	(175,153,448)	(179,310,991)	(171,949,308)	(182,814,673)	(144,506,512)	(148,866,779)
Business-type activities:										
Water	1,260,342	3,345,673	2,641,700	2,233,361	1,694,525	2,394,819	1,778,282	1,992,689	2,217,764	1,979,029
Sewer	3,193,594	2,987,586	2,909,864	3,117,989	2,014,116	3,286,762	1,578,439	3,800,123	4,402,740	2,670,875
Gas	6,894,006	3,722,466	(468,374)	6,766,996	4,006,226	2,190,184	4,828,374	(1,047,965)	(3,153,869)	4,392,858
Other enterprise funds	(187,469)	974,624	642,456	842,225	785,580	488,504	1,104,333	1,320,951	1,275,801	1,325,204
Total business-type activities	11,160,473	11,030,349	5,725,646	12,960,571	8,500,447	8,360,269	9,289,428	6,065,798	4,742,436	10,367,966
Total Primary Government Net Expense	\$ (214,790,895)	\$ (174,348,536)	\$ (159,141,571)	\$ (165,325,280)	\$ (166,653,001)	\$ (170,950,722)	\$ (162,659,880)	\$ (176,748,875)	\$ (139,764,076)	\$ (138,498,813)
General Revenues and Other Changes in Net Position										
Governmental activities:										
General Revenues										
General property taxes	\$ 125,234,061	\$ 117,980,334	\$ 110,208,465	\$ 97,568,094	\$ 89,152,047	\$ 84,518,162	\$ 80,460,113	\$ 75,042,232	\$ 68,384,143	\$ 62,940,310
Sales tax	14,174,823	15,173,277	14,377,795	14,526,660	12,202,161	11,497,058	11,876,599	11,619,460	11,670,485	11,466,250
Utility tax	4,933,233	4,684,886	4,584,020	4,611,301	4,477,998	4,491,483	4,764,420	4,616,495	4,540,179	4,478,748
Communications tax	-	-	-	2,288,232	2,357,526	2,654,196	2,716,128	2,927,794	3,022,277	3,098,436
Meals tax	21,205,537	19,477,422	18,632,606	15,925,582	11,032,143	12,600,643	12,212,802	11,781,447	11,746,648	11,320,042
Lodging tax	8,983,836	8,057,630	8,118,587	7,222,710	3,792,490	5,049,858	5,659,226	5,151,629	4,846,549	3,664,156
Other taxes	4,705,899	4,146,808	4,118,076	4,306,912	4,284,816	11,587,139	12,261,038	4,256,433	4,593,226	4,511,753
Business license tax	853,295	792,880	783,327	722,740	8,249,480	1,457,867	1,447,032	8,767,125	7,918,093	6,925,402
Grants and contributions not restricted	44,074,432	42,058,938	39,647,809	45,108,421	37,787,437	37,969,151	39,975,597	27,056,841	-	30,117,894
Unrestricted revenue from use of money and property	823,550	1,012,418	899,545	1,153,333	471,689	1,658,588	1,893,575	1,297,431	-	-
Interest and investment earnings	7,652,045	6,104,226	2,916,023	(823,391)	749,166	1,223,063	1,033,337	-	406,625	341,347
Leases	258,925	248,023	232,055	209,163	-	-	-	-	-	-
Miscellaneous	1,612,511	1,551,902	1,594,719	1,678,536	945,673	1,319,692	896,195	980,353	-	-
Transfers, net	6,799,124	6,832,218	5,999,804	6,137,857	5,776,201	5,648,201	5,567,298	5,264,759	-	-
Gain from sale of assets	-	-	-	-	-	-	-	-	-	-
Total governmental activities	241,311,271	228,120,962	212,112,831	200,636,150	181,278,827	181,675,101	180,763,360	158,761,999	117,128,225	138,864,338
Business-type activities:										
Unrestricted revenue from use of money and property	2,522	10,861	7,660	6,052	-	-	-	-	-	-
Interest on investment earnings	649,584	208,307	186,095	78,442	66,122	123,969	206,128	-	101,036	141,362
Miscellaneous	1,809	16,772	-	1,752,473	-	-	-	-	-	-
Transfers, net	(6,799,124)	(6,832,218)	(5,999,804)	(6,137,857)	-	-	-	-	-	-
Total business-type activities	(6,145,209)	(6,596,278)	7,660	6,052	-	-	-	-	-	-
Total Primary Government Revenues	\$ 235,166,062	\$ 221,524,684	\$ 212,120,491	\$ 200,642,202	\$ 181,278,827	\$ 181,675,101	\$ 180,763,360	\$ 158,761,999	\$ 117,128,225	\$ 138,864,338
Change in net position										
Governmental Activities	\$ 15,359,903	\$ 42,742,077	\$ 47,268,124	\$ 21,831,777	\$ 6,125,379	\$ 1,232,259	\$ 6,550,350	\$ 8,252,311	\$ 10,372,952	\$ (4,803,942)
Business-type Activities	\$ 5,015,264	\$ 4,434,071	\$ (80,403)	\$ 8,659,681	\$ 3,716,635	\$ 3,146,682	\$ 4,266,537	\$ 1,099,874	\$ (322,469)	\$ 5,310,729
Total change in net position	\$ 20,375,167	\$ 47,176,148	\$ 47,187,721	\$ 30,491,458	\$ 9,842,014	\$ 4,378,941	\$ 10,816,887	\$ 9,352,185	\$ 10,050,483	\$ 365,525

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

Schedule prepared using the accrual basis of accounting

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 3

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ -	\$ 31,383	\$ -	\$ 9,460	\$ 9,460	\$ 25,970	\$ 1,920	\$ 22,002	\$ -	\$ -
Restricted	676,328	665,613	559,223	602,542	414,753	484,048	327,770	637,910	-	656,777
Committed	4,443,631	9,428,289	6,289,041	6,335,548	14,483,982	9,435,257	7,990,059	8,779,538	4,931,956	6,732,612
Assigned	4,088,362	2,611,908	1,908,229	37,971,591	3,186,325	4,458,676	6,229,997	5,818,834	1,102,935	7,804,945
Unassigned	49,129,145	61,135,262	63,391,418	21,355,113	35,319,585	32,544,441	33,272,338	30,502,351	41,933,825	29,054,913
Total General Fund	\$ 58,337,466	\$ 73,872,455	\$ 72,147,911	\$ 66,274,254	\$ 53,404,645	\$ 46,922,422	\$ 47,820,164	\$ 45,738,633	\$ 47,968,716	\$ 44,249,247
All Other Governmental Funds										
Nonspendable	\$ 162,502	\$ 162,502	\$ 162,502	\$ 2,692,502	\$ 162,502	\$ 162,502	\$ 162,502	\$ 162,502	\$ 5,663,250	\$ 4,891,126
Restricted	3,088,947	944,645	702,748	625,161	495,809	292,296	176,341	2,951,459	8,300,066	440,648
Committed	15,359,097	18,655,621	23,290,672	12,987,110	13,225,476	13,410,790	12,830,074	11,905,368	15,541,112	12,082,178
Assigned	37,898,904	4,770,407	30,452,636	29,044,917	21,314,234	7,895,219	16,622,433	18,153,704	1,977,246	7,770,919
Unassigned	1,544,049	-	-	-	1,411,224	-	-	(5,117,190)	-	-
Total All Other Governmental Funds	\$ 58,053,499	\$ 24,533,175	\$ 54,608,558	\$ 45,349,690	\$ 36,609,245	\$ 21,760,807	\$ 29,791,350	\$ 28,055,843	\$ 31,481,674	\$ 25,184,871

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

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

Schedule prepared using the modified accrual basis of accounting

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
General property taxes	\$ 181,388,456	\$ 171,701,688	\$ 162,261,369	\$ 146,877,665	\$ 135,496,329	\$ 133,162,943	\$ 130,457,652	\$ 122,940,708	\$ 116,721,600	\$ 108,365,439
Fee and permits	14,351,421	11,790,257	11,521,135	10,944,026	2,814,829	2,945,186	2,852,058	2,719,933	2,575,469	2,169,777
Intergovernmental	93,212,059	87,543,903	83,604,425	72,572,090	70,401,027	60,981,652	60,040,284	61,458,198	61,924,408	55,268,548
Charges for services	14,386,382	11,871,020	12,583,950	12,118,772	10,892,325	13,952,648	15,313,883	11,917,913	12,117,670	11,701,232
Fines and forfeitures	242,967	305,805	358,419	302,224	157,302	201,617	362,381	419,344	481,032	481,630
Leases	258,925	248,023	232,055	209,163	-	-	-	-	-	-
Investment earnings	7,652,046	6,104,226	2,916,024	(823,391)	-	-	-	-	-	-
Miscellaneous	2,196,742	1,974,998	1,470,235	2,426,200	2,056,437	3,960,736	3,394,302	3,381,950	2,789,931	2,386,349
Total governmental revenues	313,688,998	291,539,920	274,947,612	244,626,749	221,818,249	215,204,782	212,420,560	202,838,046	196,610,110	180,372,975
Expenditures										
General government	35,096,873	43,397,742	28,527,681	39,308,396	31,825,290	25,161,292	26,980,864	20,817,229	18,107,974	17,206,445
Public safety	52,908,160	45,810,757	43,570,836	40,716,189	38,612,063	38,727,179	38,240,448	39,397,475	35,081,163	36,357,223
Community services	30,837,392	25,797,067	26,917,020	20,009,122	21,349,995	19,100,385	19,006,475	16,980,656	17,257,531	18,470,598
Health and welfare	41,905,183	36,071,370	35,729,463	36,213,373	36,540,423	35,848,437	35,736,307	35,175,725	32,346,926	30,975,824
Parks, recreation and culture	17,981,548	16,170,084	14,396,861	13,760,771	10,985,927	13,700,003	13,326,020	12,709,049	11,912,756	13,023,170
Education	80,463,517	69,378,750	65,136,897	61,115,717	58,236,465	58,902,075	54,798,480	51,757,047	50,385,279	49,397,353
Conservation and development	19,513,776	11,800,653	11,008,357	13,888,767	13,954,074	15,854,748	13,244,853	13,070,791	9,620,535	10,710,688
Debt service										
Principal	14,112,224	11,775,733	11,002,912	8,370,931	7,280,278	7,566,058	7,140,323	7,417,376	7,146,882	6,379,799
Interest	5,903,634	4,328,361	3,984,393	2,958,534	3,134,902	3,155,879	3,041,563	3,099,780	2,832,293	2,591,814
Miscellaneous	-	-	-	-	-	-	-	-	123,892	172,063
Other activities	-	-	-	-	-	-	-	-	289,665	1,055,402
Capital outlay	61,279,179	63,611,345	40,276,952	13,392,994	9,190,991	9,941,161	13,331,752	16,960,272	19,795,285	5,613,733
Total governmental expenditures	360,001,486	328,141,862	280,551,372	249,734,795	231,110,408	227,957,217	224,847,085	217,385,400	204,900,181	191,954,112
Revenues over (under) expenditures	(46,312,488)	(36,601,942)	(5,603,760)	(5,108,046)	(9,292,159)	(12,752,435)	(12,426,525)	(14,547,354)	(8,290,071)	(11,581,137)
Other financing sources (uses)										
Transfers in	74,048,903	59,477,638	54,351,966	39,651,121	29,584,232	28,416,690	36,720,138	38,479,757	32,386,616	30,657,532
Transfers out	(70,749,779)	(54,495,261)	(49,511,162)	(33,513,264)	(23,808,032)	(24,568,490)	(31,551,066)	(31,547,212)	(27,166,718)	(25,140,392)
Issuance of debt	51,950	-	14,470,000	22,576,647	25,500,700	-	9,520,000	4,610,000	11,140,000	7,250,000
Refunding bonds issued	-	-	-	-	-	-	-	-	-	3,875,466
Premium on issuance of debt	6,405,313	-	975,480	2,248,607	3,643,188	-	1,126,606	420,561	1,076,892	1,282,326
Payment to refunded bond escrow agent	-	-	-	(4,254,472)	(4,538,777)	-	-	-	-	(4,365,996)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	9,756,387	4,982,377	20,286,284	26,708,639	30,381,311	3,848,200	15,815,678	11,963,106	17,436,790	13,558,936
Net change in fund balances	\$ (36,556,101)	\$ (31,619,565)	\$ 14,682,524	\$ 21,600,593	\$ 21,089,152	\$ (8,904,235)	\$ 3,389,153	\$ (2,584,248)	\$ 9,146,719	\$ 1,977,799
Debt service as a percentage of noncapital expenditures										
Total debt service expenditures	\$ 20,015,858	\$ 16,104,094	\$ 14,987,305	\$ 11,329,465	\$ 10,415,180	\$ 10,721,937	\$ 10,181,886	\$ 10,517,156	\$ 9,979,175	\$ 8,971,613
Total governmental expenditures	360,001,486	328,141,862	280,551,372	249,734,795	231,110,408	227,957,217	224,847,085	217,385,400	204,900,181	191,954,112
Change in capital assets	(61,279,179)	(63,611,345)	(40,378,665)	(13,392,993)	(9,390,495)	(10,720,847)	(13,346,753)	(16,960,272)	(21,634,978)	(9,215,151)
Noncapital expenditures	<u>\$ 298,722,307</u>	<u>\$ 264,530,517</u>	<u>\$ 240,172,707</u>	<u>\$ 236,341,802</u>	<u>\$ 221,719,913</u>	<u>\$ 217,236,370</u>	<u>\$ 211,500,332</u>	<u>\$ 200,425,128</u>	<u>\$ 183,265,203</u>	<u>\$ 182,738,961</u>
Debt service as a percentage of noncapital expenditures	6.70%	6.09%	6.24%	4.79%	4.70%	4.94%	4.81%	5.25%	5.45%	4.91%

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

Schedule prepared using the modified accrual basis of accounting

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 5

TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Total Taxes	Property Taxes (1)	Sales and Use Taxes	Utility and Communications Taxes (2)	Meals Tax	Lodging Tax	Franchise Taxes (2)	Tax on Bank Stock	Tax on Wills and Deeds	Other Taxes
2025	\$ 181,388,456	\$ 127,348,437	\$ 14,174,823	\$ 7,011,012	\$ 21,205,537	\$ 8,983,836	\$ -	\$ 1,264,385	\$ 793,001	\$ 607,425
2024	171,701,689	119,766,270	15,173,277	6,772,821	19,477,422	8,057,630	199,941	971,498	616,583	666,247
2023	162,261,369	111,839,022	14,377,795	6,805,840	18,632,606	8,118,587	-	1,170,883	728,613	588,023
2022	135,496,329	99,572,574	14,526,660	6,899,533	15,925,582	7,222,710	-	1,225,370	1,058,718	446,519
2021	133,162,912	91,116,055	12,202,161	6,835,524	11,032,143	3,792,490	-	1,244,963	853,716	771,089
2020	130,457,651	85,976,029	11,497,058	7,145,681	12,600,643	5,049,858	-	1,057,296	795,323	871,527
2019	122,940,708	81,561,358	11,876,599	7,480,548	12,212,802	5,659,226	3,500	1,369,883	751,569	1,001,285
2018	116,724,600	75,616,895	11,619,460	7,658,576	11,781,447	5,151,629	3,500	1,348,260	581,600	949,234
2017	108,365,439	69,739,801	11,670,485	7,562,456	11,746,648	4,846,549	3,500	1,226,609	904,353	1,106,106
2016	101,869,696	64,620,157	11,466,250	7,577,184	11,320,042	3,664,156	3,500	1,138,188	585,246	1,065,314
		119,766,270								

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

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

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 6

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

Taxable Year	Real Estate	Public Service Real Estate	Total Taxable Real Property Assessed Value	Real Property Direct Tax Rate	Tax-Exempt Real Property	Total Value Real Property
2025	\$ 11,690,032,600	\$ 212,895,516	\$ 11,902,928,116	0.98	\$ 3,576,772,300	\$ 15,479,700,416
2024	10,901,035,400	198,703,792	11,086,656,835	0.98	3,323,966,600	14,410,623,435
2023	10,408,254,800	180,850,860	10,589,105,660	0.96	2,247,884,800	12,836,990,460
2022	9,312,647,000	168,894,020	9,481,541,020	0.96	2,649,257,800	12,130,798,820
2021	8,410,772,999	166,301,295	8,577,074,294	0.95	2,528,582,300	11,105,656,594
2020	8,187,130,300	161,534,532	8,348,664,832	0.95	2,260,050,500	10,608,715,332
2019	7,647,893,000	152,574,032	7,800,467,032	0.95	2,046,675,800	9,847,142,832
2018	7,060,139,700	151,135,069	5,641,414,880	0.95	1,917,683,250	7,559,098,130
2017	6,740,234,600	143,303,198	6,883,537,798	0.95	1,746,952,600	8,630,490,398
2016	5,953,910,000	140,924,014	6,094,834,014	0.95	1,135,055,400	7,229,889,414

Source: Records of the City Assessor and State Corporation Commission

Note: The City has no overlapping property taxes.

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

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 7

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

Year	Real Property (1)	Personal Property (2)	Machinery & Tools (2)	Total Direct Tax Rate of City Assessed Property	Public Service		Total Direct Tax Rate of State Assessed Property
					Real Property (3)	Personal Property (3)	
2025	0.98	4.40	4.40	9.78	0.98	4.40	5.38
2024	0.98	4.40	4.40	9.78	0.98	4.40	5.38
2023	0.96	4.20	4.20	9.36	0.96	4.20	5.16
2022	0.96	4.20	4.20	9.36	0.96	4.20	5.16
2021	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2020	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2019	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2018	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2017	0.95	4.20	4.20	9.35	0.95	4.20	5.15
2016	0.95	4.20	4.20	9.35	0.95	4.20	5.15

Source: City of Charlottesville Director of Finance

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

Note: The City has no overlapping property taxes.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2025

Taxpayer	Type of Business	2025 Assessed Valuation (1)	Tax Amount (2)	Rank	Percentage of Total Assessed Valuation (1)	2016 Assessed Valuation (1)	Tax Amount (2)	Rank	Percentage of Total Assessed Valuation (1)
Woodard United, LLC	Apartments	\$ 166,922,700	\$ 1,602,458	1	1.43 %	\$ 81,602,400	\$ 775,223	2	1.48 %
Federal Realty Investment Trust	Shopping Center	166,743,800	1,600,740	2	1.43	123,353,400	\$ 1,171,857	1	2.24
Neighborhood Development Inc	Apartments	151,085,800	1,450,424	3	1.29	-	-	-	-
Pavilion UVA, LLC & Pavilion UVA II, LLC	Apartments	122,418,200	1,175,215	4	1.05	62,856,500	597,137	3	1.14
KRE Up III Pavilion Owner, LLC	Apartments	109,693,700	1,053,060	5	0.94	-	-	-	-
Piedmont Hospital, LLC	Apartments	103,326,300	991,932	6	0.88	52,702,300	500,672	5	0.96
853 West Main, LLC	Apartments	102,162,700	980,762	7	0.87	-	-	-	-
Oxford Hill, LLC	Apartments	98,830,900	948,777	8	0.85	-	-	-	-
Madison Loft LLC	Apartments	92,169,200	884,824	9	0.79	-	-	-	-
Dairy Central Phase 2, LLC	Apartments	84,798,800	814,068	10	0.73	-	-	-	-
Dominion Virginia Power Company	Public Utility	-	-	-	-	62,257,494	591,446	4	1.13
Towers Limited Partnership, ETAL	Real Estate	-	-	-	-	44,299,700	420,847	6	0.80
Cambridge Square Apartments	Apartments	-	-	-	-	43,465,200	412,919	7	0.79
Blue Atlantic Charlottesville	Real Estate	-	-	-	-	42,360,200	402,422	8	0.77
Coal Tower Associates, LLC	Real Estate	-	-	-	-	41,287,100	392,227	9	0.75
Peyton Associates Partnership	Real Estate	-	-	-	-	38,986,500	370,372	10	0.71
		<u>\$ 1,198,152,100</u>	<u>\$ 11,502,260</u>		<u>10.26 %</u>	<u>\$ 593,170,794</u>	<u>\$ 5,635,122</u>		<u>10.78 %</u>

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

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

(2) Tax rate of \$0.98 in 2025; Tax rate of \$0.95 in 2016

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 9

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2025	\$ 127,364,442	\$124,713,342	97.92 %	\$ -	\$124,713,342	97.92 %
2024	120,307,773	118,063,282	98.13 %	1,694,246	119,757,528	98.13
2023	112,113,975	110,046,896	98.16	1,814,265	111,861,161	99.51
2022	101,074,101	98,874,159	97.82	2,055,415	100,929,574	99.77
2021	92,084,435	90,266,459	98.03	1,715,193	91,981,652	99.85
2020	88,263,566	86,287,564	97.76	1,885,895	88,173,460	99.88
2019	83,339,710	82,035,675	98.44	1,217,998	83,253,673	99.88
2018	77,696,498	76,521,606	98.49	1,131,067	77,652,673	99.94
2017	71,965,946	71,139,950	98.85	784,747	71,924,697	99.94
2016	65,952,891	65,027,636	98.60	850,676	65,878,312	99.89 %

Source: Treasurer of the City of Charlottesville

(1) Beginning with Fiscal year 2015, supplements are reported in the year in which they were billed and due.

Fiscal years 2009-2014 report supplemental tax levies back to the year they for which they are assessed, instead of reporting them in the fiscal year they were billed, causing the current year collection rate to decline in subsequent years.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 10

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal	\$ 52,523,000	\$ 47,545,500	\$ 45,853,500	\$ 39,416,600	\$ 38,787,700	\$ 38,480,800	\$ 36,863,200	\$ 32,717,600	\$ 31,919,100	\$ 23,817,800
State and regional	930,934,000	988,068,500	145,107,300	767,344,500	758,897,900	513,759,400	463,218,100	455,398,000	450,963,700	306,883,300
Local	751,078,100	604,927,800	576,922,400	498,566,400	491,338,500	497,777,300	446,420,700	417,963,500	362,990,800	214,399,600
Religious, charitable, educational and other	1,842,237,200	1,683,424,800	1,480,001,600	1,343,930,300	1,239,558,200	1,195,913,200	1,088,276,900	1,011,604,150	901,079,000	589,954,700
Total	<u>3,576,772,300</u>	<u>3,323,966,600</u>	<u>\$ 2,247,884,800</u>	<u>\$ 2,649,257,800</u>	<u>\$ 2,528,582,300</u>	<u>\$ 2,245,930,700</u>	<u>\$ 2,034,778,900</u>	<u>\$ 1,917,683,250</u>	<u>\$ 1,746,952,600</u>	<u>\$ 1,135,055,400</u>

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

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 11

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

Fiscal Year	Population (1)	Real Estate Assessed Value	Total Bonded Debt	Total Bonded Business Type Debt	Governmental Bonded Debt Service Due (2)	General Fund Expenditures and Net Other Financing Sources	Ratio of Net Bonded Debt to Assessed Value	Total Bonded Debt per Capita	Ratio of Debt Service to Total General Fund Expenditures and Transfers
2025	51,743	\$ 11,690,032,600	\$ 216,638,503	\$ 55,888,672	\$ 11,346,555	\$ 155,145,587	1.85 %	\$ 4,187	7.31 %
2024	51,132	10,901,035,400	173,131,628	55,818,436	9,530,223	142,738,660	1.59	3,386	6.68
2023	51,278	10,408,254,800	179,270,051	61,280,727	9,866,007	128,469,825	1.72	3,496	7.68
2022	51,079	9,312,647,000	165,600,134	61,269,414	9,403,570	138,028,018	1.78	3,242	6.81
2021	49,447	9,312,647,000	152,301,059	58,438,152	8,257,217	132,117,051	1.64	3,080	6.25
2020	49,181	8,410,772,999	125,345,907	45,241,232	7,157,428	176,636,788	1.49	2,549	4.05
2019	49,281	6,740,234,600	132,121,039	44,022,607	7,443,208	173,674,353	1.96	2,681	4.29
2018	49,132	6,740,234,600	132,121,039	44,022,607	7,137,004	165,389,458	1.96	2,689	4.32
2017	49,071	6,740,264,600	132,121,039	44,022,607	7,417,376	152,655,215	1.96	2,692	4.86
2016	48,210	5,704,217,700	128,929,869	44,824,556	9,489,053	139,577,852	2.26	2,674	6.80

Note: The City has no overlapping debt.

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

(2) Governmental debt due within next fiscal year.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 12

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

Fiscal Year	Principal	Interest	Total Debt Service	General Governmental Expenditures and Transfers	Ratio of Debt Service to General Governmental Expenditures
2025	\$ 9,865,854	\$ 4,062,670	\$ 13,928,524	\$ 155,145,587	8.98 %
2024	9,865,854	4,062,670	13,928,524	142,738,660	9.76
2023	9,403,570	3,720,886	13,124,456	128,469,825	10.22
2022	8,260,524	3,275,009	11,535,533	138,028,018	8.36
2021	7,280,278	3,134,902	10,415,181	132,117,051	7.88
2020	7,566,058	3,155,879	10,721,937	176,593,646	6.07
2019	7,140,323	3,041,563	10,181,885	173,673,353	5.86
2018	7,417,377	3,099,780	10,517,157	224,199,432	4.69
2017	7,146,882	2,832,293	9,979,175	205,739,944	4.85
2016	6,379,799	2,591,814	8,971,613	195,491,554	4.59

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

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 13

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities				Percent of Personal Income		Per Capita Debt
	General Obligation Bonds (1)	Literary Loans	Lease and Subscription Liability	Total Governmental Debt	General Obligation Notes	Notes Payable	Lease and Subscription Liability	Total Primary Government			
2025	\$151,819,737	\$ -	\$ 8,921,777	\$ 160,741,514	\$55,888,672	\$ -	\$ 8,317	\$ 216,638,503	*	%	4,187
2024	106,841,561	-	10,471,208	106,841,985	55,956,998	-	16,153	173,131,628	*	%	3,386
2023	117,989,324	-	10,982,915	117,989,324	61,280,727	-	65,701	190,252,966	3.72		3,710
2022	113,274,881	-	9,879,714	113,274,881	66,673,995	-	120,960	179,948,876	3.69		3,523
2021	101,232,493	-	*	101,232,493	63,423,659	-	*	164,656,152	3.43		3,330
2020	84,534,916	-	*	84,534,916	46,837,903	-	*	131,372,819	3.84		2,671
2019	94,090,552	-	*	94,090,552	51,904,783	-	*	145,995,335	3.91		2,963
2018	92,582,812	-	*	92,582,812	48,729,590	-	*	141,312,402	3.93		2,876
2017	94,208,523	-	*	94,208,523	46,333,995	-	*	140,542,518	4.14		2,864
2016	89,930,778	10,366	*	89,941,144	47,116,873	-	*	137,058,017	4.76		2,843

* Information not available at this time.

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

Note: The City has no overlapping debt.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 14

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Assessed value of real property	\$ 11,690,032,600	\$ 10,901,035,400	\$10,408,254,800	\$ 8,410,772,999	\$ 6,740,234,600	\$ 6,740,264,600	\$ 6,740,264,600	\$ 5,953,910,000	\$ 5,704,217,700	\$ 5,503,669,500
Debt limit - 10% of assessed value	\$ 1,169,003,260	\$ 1,090,103,540	\$ 1,040,825,480	\$ 841,077,300	\$ 674,023,460	\$ 674,026,460	\$ 674,026,460	\$ 595,391,000	\$ 570,421,770	\$ 550,366,950
Amount of debt applicable to debt limit	218,897,341	173,131,628	190,252,966	179,948,876	131,372,819	132,121,039	132,121,039	128,929,869	119,460,105	114,398,907
Legal debt margin	\$ 950,105,919	\$ 916,971,912	\$ 850,572,514	\$ 661,128,424	\$ 542,650,641	\$ 541,905,421	\$ 541,905,421	\$ 466,461,131	\$ 450,961,665	\$ 435,968,043
Total net debt applicable to the limit as a percentage of debt limit	18.73%	15.88%	18.28%	21.40%	19.49%	19.60%	19.60%	21.65%	20.94%	20.79%

Note: The City has no overlapping debt.

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 15

PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS

Fiscal Year	Institutional and other Construction (1)		Commercial Construction (1)		Residential Construction (1)		Bank deposits (2) (in thousands)	Calendar Year	Property Values (3)	
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value			Taxable	Nontaxable
2025	11	\$ 3,099,002	589	\$275,141,841	1,405	\$ 54,830,107	\$ 2,562,000	2025	\$11,690,032,600	\$ 3,576,772,300
2024	22	106,603,130	352	57,851,708	1,347	87,325,063	2,516,739	2024	10,901,035,400	3,323,966,600
2023	31	14,358,184	382	51,558,618	1,340	68,599,786	2,760,318	2023	10,408,254,800	2,247,884,800
2022	21	4,148,192	362	36,755,026	1,133	65,404,631	3,182,307	2022	9,312,647,000	2,649,257,800
2021	38	11,942,828	502	115,599,788	1,378	124,612,849	3,042,549	2021	9,312,647,000	2,528,582,300
2020	3	220,039	402	46,511,751	1,517	143,325,608	2,999,524	2020	8,410,772,999	2,245,930,700
2019	30	1,015,033	468	150,662,370	1,546	218,624,551	2,486,055	2019	6,740,234,600	2,034,778,900
2018	44	3,404,801	566	45,291,407	1,556	107,599,017	2,499,593	2018	6,740,234,600	1,917,683,250
2017	17	1,204,091	467	128,400,704	1,653	63,999,554	2,476,231	2017	6,740,264,600	1,746,952,600
2016	19	2,300,978	582	88,939,069	1,383	48,684,124	2,366,694	2016	5,704,217,700	1,135,055,400

(1) Department of Neighborhood Planning, City of Charlottesville

(2) FDIC Summary of deposits

(3) Real property values only

(4) FDIC Summary of deposits was corrected to reflect the actual value

**DEMOGRAPHIC STATISTICS
LAST TEN CALENDAR YEARS**

Year	Population (1)	School Membership (2)	Unemployment Rate (3)	Total Personal Income (4) (thousands)	Per Capita Income (4)	Taxable Sales (5) (thousands)	Sales per Capita
2025	51,743	4,443	3.1	*	*	*	*
2024	51,132	4,391	2.6	*	*	\$ 1,143,094	\$ 22,356
2023	51,278	4,391	2.6	\$ 16,545,814	\$ 102,987	1,164,745	22,779
2022	51,079	4,295	2.8	15,268,638	95,359	1,108,763	21,623
2021	49,447	4,259	4.3	14,081,401	88,214	956,280	18,722
2020	49,181	4,307	5.7	12,071,829	75,933	821,026	16,604
2019	49,281	4,337	2.5	11,980,938	75,651	989,912	20,128
2018	49,132	4,313	3.1	11,400,332	72,446	972,265	19,729
2017	49,071	4,210	3.6	10,765,726	68,773	971,359	19,770
2016	48,210	4,134	3.4	9,832,311	63,773	1,006,304	20,507

* Information not available at this time.

Source:

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

CITY OF CHARLOTTESVILLE, VIRGINIA

TABLE 17

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO JUNE 30, 2025

Employer	2025		2016	
	Rank	Number of Employee	Rank	Number of Employees
University of Virginia / Blue Ridge Hospital	1	1000+	1	1000+
UVA Health Services Foundation	2	1000+	3	1000+
City of Charlottesville	3	1000+	2	1000+
Charlottesville City School Board	4	1000+	4	500 to 999
Servicelink Management Com Inc.	5	500 to 999	6	500 to 999
Morrison Crothall Support	6	250 to 499		
County of Albemarle	7	250 to 499		
ADP Totalsource	8	250 to 499		
General Atomics	9	250 to 499		
Integrity Cleaning Service LLC	10	250 to 499		
Lakeland Tours			5	500 to 999
Rmc Events			7	500 to 999
Aramark Campus LLC			8	500 to 999
SNL Security LP			9	250 to 499
Atlantic Coast Athletic Club			10	250 to 499

Source: Virginia Employment Commission 50 Largest Employers during 4th Quarter (October, November, December) 2024

Note: 2016 employer rank/number of employees received from 4th quarter 2015 Virginia Employment Commission Labor Market Information

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

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Management										
Council/Clerk of Council	4.00	3.00	3.00	3.00	3.00	4.00	4.00	1.00	1.00	1.00
City Manager's Office/Administration and Communications	43.00	38.00	15.00	14.00	14.00	13.00	12.00	11.00	11.00	9.00
Office of Economic Development	5.00	5.00	10.00	11.50	11.50	11.50	7.50	6.50	6.00	6.00
Office of the City Manager/Parking Enterprise Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
City Attorney	9.00	7.00	8.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Voting Registrar	5.00	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total	67.00	59.00	40.00	39.50	39.50	39.50	34.50	28.50	28.00	25.00
Internal Services										
Finance Department: Purchasing/Risk Management/Warehouse	9.00	9.00	10.00	9.00	9.00	9.00	8.00	7.00	6.00	6.00
Information Technology	21.00	21.00	20.00	20.00	20.00	20.00	20.00	20.00	19.00	19.00
Human Resources	12.00	12.00	10.00	9.00	9.00	8.00	8.00	8.00	8.00	8.00
Total	42.00	42.00	40.00	38.00	38.00	37.00	36.00	35.00	33.00	33.00
Financial Services										
Commissioner of Revenue	14.00	14.00	14.00	14.00	14.00	14.00	14.00	13.00	13.00	13.00
Finance Department: Management/Real Estate Assessment/Utility Billing Office	33.00	33.00	33.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Treasurer	15.00	15.00	14.00	14.00	14.00	14.00	13.50	13.50	13.00	13.00
Total	62.00	62.00	61.00	62.00	62.00	62.00	61.50	60.50	60.00	60.00
Healthy Families & Community										
Charlottesville/Albemarle Visitors Bureau ⁽¹⁾	-	-	-	-	-	0.00	10.00	10.00	10.00	10.00
Depart of Human Services	41.50	48.50	37.50	37.50	37.50	37.50	36.50	35.50	35.50	35.50
Children & Youth Commission/CCF	-	-	-	-	-	-	-	-	-	-
Department of Social Services	109.50	109.50	106.50	106.50	106.50	106.50	104.50	102.50	102.50	102.25
Neighborhood Development Services	28.00	28.00	29.00	26.00	26.00	40.00	39.00	39.00	37.50	37.50
Office of Human Rights/Human Rights Commission	4.00	4.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	2.00
Parks and Recreation/Parks Maintenance	38.00	38.00	38.00	40.00	40.00	40.00	40.00	40.00	39.00	39.00
Parks & Rec/Recreation and Programs	39.00	32.25	29.50	29.50	29.50	29.50	29.50	27.50	27.50	27.50
Parks & Rec/Golf Fund	0.00	2.00	2.00	2.00	2.00	2.00	4.00	4.00	4.00	4.00
CDBG/HOME Grant Coordinator (Grant Funded)	-	-	-	-	-	0.00	1.00	1.00	1.00	1.00
Total	260.00	262.25	244.50	243.50	243.50	257.50	266.50	261.00	258.50	258.75
Infrastructure/Transportation										
Public Works: Administration, Facilities Development	43.11	47.11	28.90	23.90	26.86	26.86	26.86	21.86	21.86	21.86
Public Works: School Building Maintenance	20.64	20.64	19.28	19.28	19.28	19.28	19.28	19.28	19.28	19.28
Public Works: Fleet Management	12.00	13.00	13.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Public Works: Public Service	44.00	44.00	60.00	60.00	60.00	47.00	49.00	51.00	51.00	51.00
Charlottesville Area Transit (CAT)	99.75	94.00	104.50	104.50	80.00	80.00	72.00	72.00	69.00	68.00
Public Works: Pupil Transportation	31.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	28.50	28.50
Public Utilities: Gas, Water, Wastewater	94.00	94.00	90.00	90.00	90.00	90.00	89.00	92.00	92.00	92.00
Public Utilities: Stormwater Utility	11.00	11.00	10.00	10.00	10.00	10.00	4.00	4.00	4.00	4.00
Total	355.50	352.75	354.68	347.68	326.14	313.14	300.14	300.14	296.64	295.64
Public Safety & Justice										
City Sheriff	14.00	14.00	13.00	13.00	13.00	13.00	12.00	11.00	11.00	11.00
Commonwealth's Attorney	9.00	12.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50
Courts and Other Support Service	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Fire Department	124.00	123.00	95.00	95.00	95.00	95.00	95.00	91.00	91.00	91.00
Police Department	142.25	145.00	155.00	155.00	155.00	159.00	157.00	157.00	156.00	154.00
Total	299.25	304.50	287.50	287.50	287.50	291.50	288.50	283.50	282.50	280.50
City-Wide Total	1,085.75	1,082.50	1,027.68	1,018.18	996.64	1000.64	987.14	968.64	958.64	952.89

Source: Adopted Operating and Capital Improvement Budget

Note: FTE positions

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Date of incorporation	1888	1888	1888	1888	1888	1888	1888	1888	1888	1888
Form of government	Council-Mgr	Council-Mgr	Council-Mgr	Council-Mgr	Council-Mgr	Council-Mgr	Council-Mgr	Council-Mgr	Council-Mgr	Council-Mgr
Area	10.4 sq miles	10.4 sq miles	10.4 sq miles	10.4 sq miles	10.4 sq miles	10.4 sq miles	10.4 sq miles	10.4 sq miles	10.4 sq miles	10.4 sq miles
Bond rating:										
Moody's Investor Services	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Standard & Poor's Corporation	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Number of employees:										
City (full-time)	1085.8	1082.5	1027.7	1018.2	996.6	1000.64	1,001	987	969	959
School Board	869	809	809	798	798	840	840	835	767	797
Elections:										
Number of registered voters:										
Last general election - November, 2023	35,763	34,699	34,781	33,683	33,099	32,853	32,854	31,876	35,725	31,039
Last municipal election - November, 2023	34,699	34,699	33,683	33,683	32,853	32,853	32,290	31,876	31,039	31,039
Number of votes cast in:										
Last general election	23,494	12,398	16,692	17,342	24,084	11,095	14,039	16,548	22,652	6,077
Last municipal election	12,398	12,398	17,342	17,342	11,095	11,095	6,237	16,548	6,077	6,077
Percentage of registered voters voting in:										
Last general election	65.7%	35.7%	48.0%	72.8%	33.8%	42.7%	51.9%	63.4%	19.2%	33.5%
Last municipal election	35.7%	35.7%	51.5%	33.8%	33.8%	19.3%	51.9%	19.6%	19.2%	38.9%
Public Safety										
Fire protection:										
Number of firefighters and officers (exclusive of volunteer firefighters)	128	117	111	106	106	90	90	90	88	88
Police protection:										
Number of police officers	107	98	89	83	121	119	125	127	129	127
Number of arrests	1,821	1,696	1,791	1,618	1,566	1,732	1,676	3,216	2,763	2,639
Traffic Citations Issued	5,175	3,351	3,958	2,569	1,131	1,739	3,142	4,737	5,912	4,978
911 calls received	45,307	41,328	41,865	37,121	36,016	37,866	37,121	39,692	44,481	40,504
Cases investigated	5,294	5,387	5,407	5,301	4,240	4,610	5,502	4,442	5,287	4,962
Parking Violations										
Violations written	9,328	10,879	15,136	12,116	6,738	6,842	17,141	17,653	16,637	18,734
Building permits issued	1,994	1,721	1,753	1,656	1,920	1,922	2,033	2,166	2,137	1,984
Education										
Schools:										
Number of teachers	537	478	478	482	481	478	478	456	440	429
Number of students	4,443	4,391	4,391	4,290	4,259	4,307	4,337	4,313	4,210	4,134
Pupil: teacher ratio	8.27:1	9.19:1	9.19:1	8.90:1	8.85:1	9.01:1	9.07:1	9.46:1	9.56:1	9.64:1
Public Utilities										
Municipal utilities:										
Gas:										
Number of customers	21,663	21,397	21,313	21,244	21,078	20,871	20,994	20,665	20,467	20,043
Average daily consumption	8237 DTH	7968 DTH	7841 DTH	8297 DTH	8327 DTH	7,712 DTH	8,051 DTH	7,570 DTH	7,562 DTH	6,802 DTH
Water:										
Number of customers	14,815	14,521	14,524	14,541	14,888	15,307	14,661	14,639	14,756	14,692
Average daily consumption	546 MCF	544 MCF	530 MCF	537 MCF	520 MCF	531 MCF	551 MCF	569.4 MCF	579.2 MCF	569.4 MCF
Sewer:										
Number of customers	14,531	14,448	14,425	14,437	14,791	14,956	14,564	14,528	14,626	14,558
Average daily treatment	469 MCF	473 MCF	464 MCF	467 MCF	456 MCF	465 MCF	483 MCF	502.8 MCF	564.6 MCF	502.8 MCF
Public Works										
Refuse disposed at Zion's Transfer Station (City totals):										
Number of customers	13,500	13,500	13,500	13,500	13,500	13,500	13,200	13,200	13,200	13,200
Tons of domestic refuse	6,934	6,793	6,695	6,608	6,588	6,955	6,681	6,577	6,532	6,435
Tons of curbside recycling	2,980	3,103	3,582	3,560	3,745	3,738	4,429	3,865	3,666	3,647
Tons of stumps, demolition material & street sweeping ⁽¹⁾	1,267	1,072	1,639	2,589	1,375	1,584	1,300	866	1,160	2,117

Source: Departmental operational reports for the period ending June 30th.
In FY2017, the total accounts for street sweeping.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Miles of streets	160.14	160.14	160.14	159.91	160	160	160	159	158	158
Number of streetlights	6,070	6,070	6,070	6,070	6,070	6,070	6,070	6,070	6,070	6,040
Public Safety										
Fire protection:										
Number of stations	3	3	3	3	3	3	3	3	3	3
Police protection:										
Number of stations	4	7	7	7	7	7	7	10	8	4
Number of vehicular patrol units	79	80	72	72	73	73	58	50	64	68
Total vehicles	159	159	148	146	134	134	119	129	128	122
Motor Cycles	5	5	5	7	7	7	7	6	8	8
Unmarked cars	43	43	38	44	45	45	54	59	53	46
Bicycle patrol	30	28	20	23	18	18	14	14	14	24
Education										
Number of schools	9	9	9	9	9	9	9	9	9	9
Parks, Recreation, & Culture										
Number of parks ⁽¹⁾	37	36	36	36	36	36	36	36	36	36
Acres of park land ⁽²⁾	1058	1058	1050	1050	1,050	1,050	904	900	900	902
Number of golf courses	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of recreation centers	5	5	5	5	5	5	5	5	5	5
Number of libraries	3	3	3	3	3	3	3	3	3	3
Public Utilities										
Gas:										
Miles of gas main lines	346	345	343	342	341	340	333	331	330	329
Miles of gas service lines	307	305	303	302	300	296	292	288	282	274
Water:										
Water treatment plant capacity (millions of gallons per day)	19	19	19	19	19	19	19	19	19	19
Miles of water lines	180	179	185	184	184.0	184	183	183.0	180.0	180.0
Number of fire hydrants	1,241	1,200	1,199	1,187	1,156	1,117	1,088	1,088	1,050	1,047
Sewer:										
Sewer treatment plant capacity (millions of gallons per day)	15	15	15	15	15	15	15	15	15	15
Miles of sanitary sewers	168	168	174	173	173	172	171	171	170	166

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

Note:

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