



# **Charlottesville Albemarle Convention and Visitors Bureau**

## **Financial Report**

June 30, 2025

Charlottesville Albemarle  
Convention and Visitors Bureau

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# Introductory Section



**Charlottesville Albemarle  
Convention and Visitors Bureau**

**Directory of Principal Officials**  
June 30, 2025

**Directors**

Courtney Cacatian (Executive Director)

Francois Abadie

Olivia Branch

Russ Cronberg

Chris Engel

Andrea Copeland

Athena Eastwood

Emily Kilroy

Bea LaPisto-Kirtley

Jennifer Lyon

Jaruchan Palakawongs

Danny Shea

Amber Smith

Brad Uhl

Juandiego Wade

Darcie Weigand

**Independent Auditors**

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



# Financial Section



## Independent Auditor's Report

To the Honorable Members of the Board of Directors  
Charlottesville Albemarle Convention and Visitors Bureau  
Charlottesville, Virginia

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and the major fund of the Charlottesville Albemarle Convention and Visitors Bureau (the "CACVB") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the CACVB's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the CACVB, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*


We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CACVB 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 13 to the financial statements, in 2025, the CACVB adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair



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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CACVB'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 CACVB'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 budgetary comparison information and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.


### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's 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 6, 2025 on our consideration of the CACVB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CACVB's internal control over financial reporting or on compliance. That report is an



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

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
January 6, 2025



# **Basic Financial Statements**



**Charlottesville Albemarle  
Convention and Visitors Bureau**

**Statement of Net Position**

June 30, 2025

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and equivalents	\$ 434,665
Prepaid expense	22,180
Capital assets, net of accumulated depreciation (Note 4)	220,613
Total assets	677,458
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions (Note 7)	292,664
Deferred outflows related to other postemployment benefits (Note 10)	21,918
Total deferred outflows of resources	314,582
<b>LIABILITIES</b>	
Accounts payable	128,860
Accrued liabilities	34,527
Unearned revenue	10,823
Noncurrent liabilities:	
Compensated absences due within one year (Note 5)	63,918
Compensated absences due in more than one year (Note 5)	45,111
Net pension liability (Note 7)	498,508
Net other postemployment benefit liability (Note 10)	126,460
Lease liability due within one year (Note 5)	44,933
Lease liability due in more than one year (Note 5)	157,791
Subscription liability due within one year (Note 5)	21,876
Total liabilities	1,132,807
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions (Note 7)	95,683
Deferred inflows related to other postemployment benefits (Note 10)	52,224
Total deferred inflows of resources	147,907
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	(3,987)
Unrestricted (deficit)	(284,687)
Total net position (deficit) (Note 11)	\$ <b>(288,674)</b>

**Charlottesville Albemarle  
Convention and Visitors Bureau**

**Statement of Activities**

Year Ended June 30, 2025

<u>Function/Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Assets</u>
		<u>Charges for Services</u>	<u>Grants and Contributions</u>	
<b>GOVERNMENTAL ACTIVITIES:</b>				
Convention and Visitors Bureau	<u>\$ 2,525,004</u>	<u>\$ 55,606</u>	<u>\$ 56,457</u>	<u>\$ (2,412,941)</u>
<b>GENERAL REVENUES:</b>				
Intergovernmental				<u>2,672,676</u>
Revenue from use of money and property				<u>15,615</u>
Total general revenues				<u>2,688,291</u>
Change in net position				275,350
<b>NET POSITION (DEFICIT), beginning of year, as restated (Note 13)</b>				<u>(564,024)</u>
<b>NET POSITION (DEFICIT), end of year</b>				<u><u>\$ (288,674)</u></u>

**Charlottesville Albemarle  
Convention and Visitors Bureau**

**General Fund  
Balance Sheet  
June 30, 2025**

	<b>General Fund</b>
<b>ASSETS:</b>	
Cash and equivalents	\$ 434,665
Prepaid expenses	22,180
Total assets	<b>\$ 456,845</b>
<b>LIABILITIES AND FUND BALANCE:</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 128,860
Accrued liabilities	34,527
Unearned revenue	10,823
Total liabilities	174,210
<b>FUND BALANCE</b>	
Nonspendable	22,180
Unassigned	260,455
Total fund balance	282,635
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 456,845</b>
<b>RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION:</b>	
Total fund balance per Balance Sheet for governmental funds	\$ 282,635
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as fund assets.	220,613
Long-term liabilities are not due and payable in the current period and therefore are not reported as fund liabilities.	
Compensated absences	(109,029)
Lease liabilities	(202,724)
Subscription liabilities	(21,876)
Financial statement elements related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows related to:	
Pensions	292,664
Other postemployment benefits	21,918
Deferred inflows related to:	
Pensions	(95,683)
Other postemployment benefits	(52,224)
Net pension liability	(498,508)
Net other postemployment benefit liability	(126,460)
	<b>\$ (288,674)</b>

**Charlottesville Albemarle  
Convention and Visitors Bureau**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 2025**

	<b>General Fund</b>
<b>REVENUES</b>	
Intergovernmental:	
City of Charlottesville	\$ 1,522,235
County of Albemarle	1,150,441
Federal Government	56,457
Revenue from use of money and property	15,615
Charges for services	55,606
Total revenues	2,800,354
<b>EXPENDITURES</b>	
Convention and Visitors Bureau:	
Salaries and overtime	890,275
Fringe benefits	387,158
Supplies and materials	114,825
Contractual services	972,208
Contribution to localities	53,454
Interest and fiscal charges	13,434
Principal retirement	73,105
Total operating expenditures	2,504,459
Excess of revenues over expenditures	295,895
Net change in fund balance	295,895
<b>FUND BALANCE (DEFICIT) – JULY 1, 2024, as restated (Note 13)</b>	<b>(13,260)</b>
<b>FUND BALANCE – JUNE 30, 2025</b>	<b>\$ 282,635</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES:</b>	
Net change in fund balance – governmental funds	\$ 295,895
Amounts reported for governmental activities in the Statement of Activities are different because:	
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. The issuance of long-term debt provides current financial resources to governmental funds:	
Transfer of capital asset, net	15,585
Depreciation and amortization	(99,545)
Loss on Disposal of assets	(4,969)
Principal retirement	73,105
Compensated absences	3,322
Pension expense	1,354
Other postemployment benefit	(9,397)
Change in Net Position of Government-wide Activities	<b>\$ 275,350</b>

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

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### Note 1 – Summary of Significant Accounting Policies

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On August 9, 1984, the County of Albemarle, Virginia (the “County”) and City of Charlottesville, Virginia (the “City”) purchased the Western Bicentennial Center from the Commonwealth of Virginia. The City, the County, the Charlottesville Albemarle Chamber of Commerce, and the University of Virginia entered into an agreement on July 1, 1994 for the purpose of operating the Charlottesville Albemarle Visitors and Convention Bureau to promote the area as a desirable tourism destination. A new regional agreement dated July 1, 2004 reorganized the Charlottesville Albemarle Convention and Visitors Bureau (CACVB) as a joint venture operated by the City and the County. The County of Albemarle is the fiscal agent and is responsible for maintaining certain financial records for CACVB.

#### *A – Financial Reporting Entity*

A separate Board of Directors advises CACVB, with City Council and County Board of Supervisors approval of the budget. Designation of management and accountability for fiscal matters rests with CACVB’s Board of Directors. CACVB prepares its own budget, following guidelines established by the City in accordance with state and local laws.

CACVB is a jointly governed organization. All activities over which CACVB is financially accountable have been incorporated in CACVB’s reporting entity.

#### *B – Basis of Presentation*

##### Government-Wide Financial Statements

The basic financial statements categorize primary activities as governmental in nature. In the government-wide Statement of Net Position, the governmental activities column (i) is presented on an aggregated basis, and (ii) is reflected on a full accrual basis, using the economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. This presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The Statement of Activities reflects both the gross and net cost per functional category that is otherwise being supported by general government revenues (certain intergovernmental revenues, interest, etc.). The Statement of Activities reduces gross expenses by directly related program revenues and contributions.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and contributions that are restricted to meeting the operation or capital requirement of a particular function or segment. Items not specifically restricted to the various programs are reported as general revenues.

CACVB does not allocate indirect expenses.

##### Governmental Fund Type

Fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

statements to the government-wide financial statements. The general operating fund of CACVB is used to account for all of CACVB's expendable non-capital financial resources and related liabilities.

### Reconciliation of Governmental and Fund Financial Statements

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 is presented in a schedule accompanying the governmental funds Balance Sheet. The asset and liability elements which comprise the reconciliation differences stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

A summary reconciliation of the differences between net changes in total fund balance as reflected on the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance, and the change in net position for governmental activities as shown on the government-wide Statement of Activities, is presented in a schedule accompanying the governmental funds Statements of Revenues, Expenditures, and Changes in Fund Balance. The revenue and expense elements which comprise the reconciliation differences stem from the governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

### *C – Basis of Accounting*

The governmental fund financial statements are reported on the flow of current financial resources measurement focus and the modified accrual basis of accounting wherein the focus is on the determination and changes in financial position and only current assets and current liabilities are included on the balance sheet. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Revenues are generally considered available if received within two months after the fiscal year-end. Intergovernmental revenues are recorded when all eligibility requirements are met and funds are considered available. Expenditures are recorded when the related liability is incurred, except for certain long-term obligations when the liability and expenditure are recorded when amounts are due to be payable.

The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting, which include all assets and liabilities associated with CACVB. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenues from non-exchange transactions, in which CACVB receives value without directly giving equal value in exchange, such as donations, are recognized in the fiscal year in which all eligibility requirements have been satisfied.

### *D – Cash and Cash Equivalents*

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

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

### *E – Capital Assets, Leases, and Subscriptions*

Capital assets consist of property, equipment, and leasehold improvements that are valued at historical cost (except for intangible right-to-use assets, the measurement of which is discussed in more detail below) or estimated historical cost if actual historical cost is not available. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year. Donated fixed assets are valued at their acquisition value on the date donated. Depreciation is provided on the straight-line method over the estimated useful lives as follows:

Vehicles	5 years
Equipment	5 – 10 years

Lease and subscription assets are amortized over the shorter of the contract term or useful life of the underlying asset using the straight-line method.

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

Depreciation and amortization expense amounted to \$135,910 for 2025.

### *F – Compensated Absences*

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

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

**Sick Leave** – Employees of CACVB are granted sick leave which accumulates but is not paid out upon an employee's separation of employment. The amount of sick leave that can be accumulated and carried to future years for employee's is capped based on their classification as a Plan 1, Plan 2, or Hybrid employee in Virginia Retirement System (VRS). The

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

park uses a three-year look-back period to estimate the amount of sick leave that has been earned and will be used as sick leave over the employee's service period.

### *G – Use of Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

### *H – Net Position*

Net position is the difference between 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

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

### *I – Fund Balance*

Fund balances have been classified to reflect limitations and restrictions as follows:

- **Nonspendable:** This classification includes 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:** This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.
- **Committed:** The portion of fund balance that can only be used for specific purposes imposed by majority vote of the Board. Any changes or removal of specific purpose requires majority action by the governing body.
- **Assigned:** Represents that portion of fund balance encumbered for outstanding purchase orders, contracts, and other commitments, and not available for appropriation.
- **Unassigned:** The portion of the General Fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

### *J – Pensions and Other Postemployment Benefits*

Employees of the CACVB participate in the County VRS defined benefit and defined contribution retirement plans and other postemployment benefits ("OPEB") plan. Net pension liability, other postemployment benefits liability, deferred outflows of resources, and deferred inflows of resources are measured using actuarial methods. Pension expense for the defined benefit plan is equal to the changes in net pension liability, deferred outflows, and deferred inflows of resources related to pension obligations. Similarly, OPEB expense is equal to the changes in net OPEB liability, deferred outflows,

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

and deferred inflows of resources related to OPEB obligations. Details of the CACVB's retirement plan is included in Note 7. Details of the CACVB's other postemployment benefits plan are included in Notes 8 and 9.

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

### *K – Deferred Outflows/inflows of Resources*

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

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

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

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### **Note 2 – Cash and Cash Equivalents**

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CACVB's cash and cash equivalents are pooled with the County's for investment purposes and, as such, CACVB follows the County's deposit policy. The County is authorized to hold cash and cash equivalents, including cash on hand, checking and savings, accounts, certificates of deposit, repurchase agreements, and bankers acceptances.

Deposits are placed with banks and savings and loan institutions and are protected by federal depository insurance or collateral held under the provisions of the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et. Seq. Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC Bank Insurance Fund must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC Savings Association Insurance Fund limits. The State Treasury Board can assess additional collateral from participating financial institutions to cover collateral shortfall in the event of default and is responsible for monitoring compliance with the collateralization and reporting requirement of the Act and for notifying local governments of compliance by banks and savings and loan

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

institutions. Because CACVB's funds are commingled with the County's, specific information relating to CACVB's balances by types and custodial credit risk classifications is not available. Refer to the County's Annual Comprehensive Financial Report for further information on cash and cash equivalents managed by the County.

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### Note 3 – City of Charlottesville-Albemarle County Joint Operations Agreement

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The City and County provide funding to the CACVB based on 30% of their Transient Occupancy Tax revenues collected in the most recent fiscal year for which a full year of data is available. This specified percentage and obligation is based on, and specifically limited to, a Transient Occupancy Tax of five percent (5%) in each locality; if either party enacts a Transient Occupancy Tax greater than 5%, that party's funding obligation shall be determined as if its tax were 5%.

Either party may terminate the Agreement by giving written notice to the other party, and to the CACVB Management Board, at least six months prior to July 1<sup>st</sup> of any year in which the Agreement remains in effect. In the event of termination of the joint agreement all personal property of CACVB shall be the joint property of the City and County for disposition, and the proceeds of disposition shall be pro-rated between the City and County in accordance with the ratio of the amounts provided by each of them to CACVB as compared with the sum of the party's contributions.

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### Note 4 – Capital Assets

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Capital asset activity for the year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated/amortized:				
Leased buildings	\$ 264,938	\$ -	\$ -	\$ 264,938
Vehicles and equipment	111,374	51,950	(111,374)	51,950
Right of Use - Subscription	84,827	-	(7,520)	77,307
Capital assets, depreciable	461,139	51,950	(118,894)	394,195
Less accumulated depreciation/amortization:				
Leased buildings	24,085	48,171	-	72,256
Vehicles and equipment	96,467	56,694	(106,405)	46,756
Right of Use - Subscription	31,045	31,045	(7,520)	54,570
Total accumulated depreciation and amortization	151,597	135,910	(113,925)	173,582
Capital assets, depreciable, net	309,542	(83,960)	(4,969)	220,613
Capital assets, net	\$ 309,542	\$ (83,960)	\$ (4,969)	\$ 220,613

The depreciation and amortization expense of \$99,545 is included in the Government-wide Statement of Activities. The increase in the accumulated depreciation and amortization includes \$36,365 of assets that were transferred in.

**Charlottesville Albemarle  
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**Notes to Financial Statements  
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**Note 5 – Long-Term Liabilities**

A summary of changes in long-term liabilities follows:

	<b>Beginning Balance*</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences	\$ 112,351	\$ -	\$ 3,322	\$ 109,029	\$ 63,918
Lease liability	244,187	-	41,463	202,724	44,933
Subscription liability	53,518	-	31,642	21,876	21,876
	<b>\$ 410,056</b>	<b>\$ -</b>	<b>\$ 76,427</b>	<b>\$ 333,629</b>	<b>\$ 130,727</b>

The change in compensated absences is a net change for the year.

\*Beginning balance is restated in accordance with GASB Statement No. 101. See Note 13.

**Note 6 – Leases and Subscriptions**

On January 1, 2024, CACVB entered into a noncancelable 42-month lease agreement for office space. The lease agreement requires monthly payments of \$3,609 starting January 1, 2024, and increases annually by 2.5%. The value of the right of use asset is stated in Note 4. The related debt as well as principal and interest requirements are noted in the table below:

	<b>Building Lease</b>	
	<b>Principal</b>	<b>Interest</b>
2026	\$ 44,933	\$ 9,124
2027	48,614	6,794
2028	52,519	4,275
2029	56,658	1,555
	<b>\$ 202,724</b>	<b>\$ 21,748</b>

On May 1, 2022, CACVB entered into a 48-month subscription agreement for the use of Tempest. The original subscription liability was recorded in the amount of \$109,139. The agreement requires quarterly fixed payments of \$7,475. The subscription has an interest rate of 5.00%. The value of the right to use asset is stated in Note 4.

On July 1, 2023, CACVB entered into a 24-month subscription agreement for the use of SNAPSEA Travel App. The agreement requires annual fixed payments of \$3,900. The subscription has an interest rate of 5.00%. The value of the right to use asset is stated in Note 4.

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

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The related debt as well as principal and interest requirements are noted in the table below:

	Subscriptions	
	Principal	Interest
2026	\$ 21,876	\$ 549
	<u>\$ 21,876</u>	<u>\$ 549</u>

### Note 7 – Defined Benefit Pension Plan Description

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

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

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

#### Contributions

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

The Political Subdivision’s contractually required contribution rate for the year ended June 30, 2025, was 15.27% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$145,085 and \$121,737 for the years ended June 30, 2025 and 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$8,618 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

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mandatory contribution totaled \$13,470 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$975,371 for the year ended June 30, 2025.

### *Net Pension Liability*

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

### *Actuarial Assumptions*

The total pension liability for General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

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

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

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

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

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

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00	5.40	0.86
Credit strategies	16.00	8.10	1.30
Real assets	15.00	7.20	1.08
Private equity	15.00	8.70	1.31
PIP – Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	100.00%		<b>7.07%</b>

\*Expected arithmetic nominal return

**7.07%**

\*The above allocation provides for a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

### *Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution was 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rate. 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.

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements June 30, 2025

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

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

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Political Subdivision's net pension liability	\$ 979,795	\$ 498,508	\$ 103,563

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

CACVB reported liabilities of \$498,508 for its proportionate share of the Collective Net Pension Liability of the County Plan at June 30, 2025. The Collective Net Pension Liability was measured as of June 30 of the preceding fiscal year and the total pension liability used to calculate the Collective Net Pension Liability was determined by an actuarial valuation as of that date. CACVB's proportion of the Collective Net Pension Liability was based on the Bureau's actuarially determined employer contributions to the pension plan for the respective years relative to the total of the actuarially determined employer contributions for the County's Plan's participating employees.

At June 30, 2025, CACVB's proportion of the County's net pension liability was 1.2616% as compared to 1.1859% at June 30, 2024.

For the year ended June 30, 2025, the political subdivision recognized pension expense of \$124,376. At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 147,579	\$ 15,731
Change in assumptions	-	-
Net difference between projected earnings on pension plan investments	-	79,952
Employer contributions subsequent to the measurement date	145,085	-
Total	\$ 292,664	\$ 95,683

The \$145,085 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements June 30, 2025

Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Effect on Pension Expense
2026	\$ (12,686)
2027	77,166
2028	4,772
2029	(17,357)
2030	-
Thereafter	-

### *Pension Plan Fiduciary Net Position*

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

### *Pension Plan Data*

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for Fiscal Year 2024](#), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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## **Note 8 – Other Postemployment Benefits Liability – Local Plan**

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### *Plan Description*

The Albemarle County Voluntary Early Retirement Incentive Program (VERIP) is a single-employer defined benefit plan. VERIP benefits are paid monthly for a period of five years or until age 65, whichever comes first. In addition to the monthly stipend, CACVB will pay an amount equivalent to the employees’ annual contribution toward medical insurance. Participants may accept it as a cash payment or apply it toward the cost of their continuation of their county medical/dental benefits. To be eligible, employees must meet the age and service criteria for reduced VRS retirement and be a current employee at least 50 years of age and have been employed by the County in a benefits-eligible position for 10 of the last 13 years prior to retirement. The plan is administered by the County and does not issue a publicly available separate financial report. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis, meaning contributions are not tied to covered payroll or salaries. The funding requirements are established and may be amended by the County Board of Supervisors.

### *Benefits Provided*

Postemployment benefits provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. Retirees pay

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## Notes to Financial Statements

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100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

### *Employees Covered by Benefit Terms*

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

### *Summary of Significant Accounting Policies*

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

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

### *Net OPEB Liability*

At June 30, 2025, the CACVB reported a liability of \$92,040 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of January 1, 2024, forward to June 30, 2025. The CACVB’s proportion of the collective net OPEB liability was calculated based on each participating employer’s actuarial accrued liabilities. At June 30, 2025, the CACVB’s proportion was 1.0968%.

### *Actuarial Assumptions and other inputs*

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

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

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

	<b>1.00% Decrease (2.97%)</b>	<b>Current Discount Rate (3.97%)</b>	<b>1.00% Increase (4.97%)</b>
Total OPEB liability	\$ 98,172	\$ 92,040	\$ 86,242

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

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

	<b>1.00% Decrease (3.04%)</b>	<b>Current Healthcare Cost Trend Rates (4.04%)</b>	<b>1.00% Increase (5.04%)</b>
Total OPEB liability	\$ 82,767	\$ 92,040	\$ 102,738

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

For the year ended June 30, 2025, CACVB recognized OPEB benefit of \$(6,077). At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,621	\$ 26,702
Change in assumptions	1,832	15,804
Change in proportion	3,428	4,245
Total	\$ 7,881	\$ 46,751

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

<b>Year Ending</b>	<b>Effect on OPEB Expense</b>
2026	\$ (12,440)
2027	(10,843)
2028	(9,051)
2029	(6,513)
2030	(23)
Thereafter	-

*OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB plan is available in the separately issued 2025 County Annual Comprehensive Financial Report (ACFR).

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

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### **Note 9 – Other Postemployment Benefits Liability – Virginia Retirement System Plans**

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

#### *Plan Descriptions*

##### Group Life Insurance Program

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

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

In addition to the Basic 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/benefits-and-programs/benefits/life-insurance/>.

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

#### *Contributions*

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

##### Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025, Contribution	\$3,990
June 30, 2024, Contribution	\$4,501

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## Notes to Financial Statements

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

The net OPEB liabilities were measured as of June 30, 2024, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers.

#### Group Life Insurance Program

June 30, 2025, proportionate share of County liability	\$34,420
June 30, 2024, proportion of the County plan	1.1267%
June 30, 2023, proportion of the County plan	1.1858%
June 30, 2025, expense	\$2,338

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, CACVB reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

#### Group Life Insurance Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,429	\$ 841
Change in assumptions	196	1,706
Net difference between projected and actual earnings on OPEB plan investments	-	2,901
Change in proportion	4,422	25
Employer contributions subsequent to the measurement date	3,990	-
Total	<b>\$ 14,037</b>	<b>\$ 5,473</b>

The deferred outflows of resources related to OPEB resulting from the CACVB's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2026.

# Charlottesville Albemarle Convention and Visitors Bureau

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

### Group Life Insurance Program

Year Ending June 30,	Effect on OPEB Expense
2026	\$ (240)
2027	1,709
2028	1,044
2029	1,159
2030	902
Thereafter	-

### *Actuarial Assumptions and Other Inputs*

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.25%
• Ages 65 and older	6.50 – 4.25%
Investment rate of return, net of expenses, Including inflation	6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 7.

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## Notes to Financial Statements

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### *Net OPEB Liabilities*

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

	<b>Group Life Insurance Program</b>
Total OPEB liability	\$ 4,196,055
Plan fiduciary net position	\$ 3,080,133
Employers’ net OPEB liability	\$ 1,115,922
Plan fiduciary net position as a percentage of total OPEB liability	73.41%

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

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

The long-term expected rate of return on VRS investments was determined in a manner similar to that of the VRS pension described in Note 7.

### *Discount Rate*

The discount rate used to measure the GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans’ fiduciary net position was projected to be available to make all projected future benefit payments of 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.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ 51,223	\$ 34,420	\$ 21,081

*OPEB Plan Fiduciary Net Position*

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

*OPEB Plan Data*

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [VRS Annual Comprehensive Financial Report for Fiscal Year 2024](#), or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 10 – Summary of Net OPEB Liabilities, Deferred Outflows of Resources, and Deferred Inflows of Resources**

	OPEB Plans			OPEB Expense (Benefit)
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	
Group Life Insurance Program	\$ 14,037	\$ 5,473	\$ 34,420	\$ 2,338
Local Plan	7,881	46,751	92,040	(6,077)
	\$ 21,918	\$ 52,224	\$ 126,460	\$ (3,739)

**Note 11 – Net Position (Deficit)**

At June 30, the Bureau had a deficit in net position of \$288,674. The deficit results primarily from pension and OPEB liabilities. The deficit is anticipated to be recovered as the liabilities are funded.

**Note 12 – Risk Management**

Through its fiscal agent, CACVB maintains worker’s compensation coverage under a contract with the Virginia Association of Counties Group Self Insurance Risk Pool (VACORP). CACVB is also a participating employer for health and dental

# Charlottesville Albemarle Convention and Visitors Bureau

## Notes to Financial Statements

June 30, 2025

coverage in the fiscal agent’s health and dental plans. As a participating employer, CACVB is not allocated a portion of liabilities or claims, and as such, the County maintains liability for all claims. Descriptions of the County’s plans can be found in the County of Albemarle’s Annual Comprehensive Financial Report.

CACVB carries commercial insurance for all risks of loss, including property, automobile, and general liability. Claims resulting from these risks have not exceeded commercial insurance coverage and there have not been any significant reductions in coverage at any point in the past three years.

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### Note 13 – Prior Period Restatement

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For the year ended June 30, 2025, the CACVB adopted GASB Statement No. 101, *Compensated Absences*, which requires liabilities for compensated absence to be recognized when leave has been earned and may be paid in future reporting periods. Implementation of the statement requires a restatement of net position in the earliest year presented. Furthermore, two additional adjustments were made to correct the recording of revenue to the CACVB and the adjustment of miscellaneous payables. The CACVB’s restatement of net position is summarized below.

	Government-wide Statements	General Fund
Net position, June 30, 2024, as previously reported	\$ (501,661)	\$ (10,702)
To record balances not reported:		
Compensated absences, GASB 101 implementation	(59,805)	-
Payables adjustment	(22,558)	(22,558)
Revenue adjustment	20,000	20,000
	\$ (564,024)	\$ (13,260)

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### Note 14 – New Accounting Standards

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In April 2024, the GASB issued **Statement No. 103**, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

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



# **Required Supplementary Information**

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**Charlottesville Albemarle  
Convention and Visitors Bureau**

**Statement of General Fund Revenues, Expenditures, and Changes in Fund Balance  
Budgetary Comparison Schedule  
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance favorable (unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
City of Charlottesville	\$ 1,522,235	\$ 1,522,235	\$ 1,522,235	\$ -
County of Albemarle	1,150,441	1,150,441	1,150,441	-
Federal Government	-	-	56,457	56,457
Revenue from use of money and property	-	-	15,615	15,615
Charges for services	40,000	40,000	55,606	15,606
Total revenues	<u>2,712,676</u>	<u>2,712,676</u>	<u>2,800,354</u>	<u>87,678</u>
<b>EXPENDITURES:</b>				
Convention and Visitors Bureau:				
Salaries and overtime	902,052	925,450	890,275	35,175
Fringe benefits	332,440	369,340	387,158	(17,818)
Supplies and materials	207,330	218,118	114,825	103,293
Contractual services	1,217,400	1,280,930	972,208	308,722
Contributions to localities	53,454	53,454	53,454	-
Interest and fiscal charges	-	-	13,434	(13,434)
Principal retirement	-	-	73,105	(73,105)
Total operating expenditures	<u>2,712,676</u>	<u>2,847,292</u>	<u>2,504,459</u>	<u>342,833</u>
Excess (deficiency) of revenues over (under) expenditures	-	(134,616)	295,895	430,511
Net change in fund balance	<u>\$ -</u>	<u>\$ (134,616)</u>	<u>\$ 295,895</u>	<u>\$ 430,511</u>

**Charlottesville Albemarle  
Convention and Visitors Bureau**

**Schedule of Proportionate Share of the Net Pension Liability  
June 30, 2025**

<b>Plan Year Ended June 30</b>	<b>Employer's Proportion of the County's Net Pension Liability</b>	<b>Employer's Proportionate Share of the County's Net Pension Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the County's Net Pension Liability as a Percentage of Its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	1.2616%	\$ 498,508	\$ 833,547	59.81%	86.43%
2023	1.1859%	446,154	547,688	81.46%	85.87%
2022	0.9108%	269,763	547,688	49.25%	87.88%

Schedule is intended to show information for 10 years. Information prior to 2023 valuation is not available. However, additional years will be included as they become available.

**Charlottesville Albemarle  
Convention and Visitors Bureau  
Schedule of Pension Contributions  
June 30, 2025**

<b>Entity Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2025	\$ 145,085	\$ 145,085	\$ -	\$ 950,099	15.27%
2024	121,737	121,737	-	833,547	14.60%
2023	80,598	80,598	-	547,688	14.72%

Schedule is intended to show information for 10 years. Information prior to 2023 valuation is not available. However, additional years will be included as they become available.

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

**CHARLOTTESVILLE ALBEMARLE  
CONVENTION AND VISITORS BUREAU**

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

<b>Plan Fiscal Year Ended June 30</b>	<b>Employer's Proportion of the Net OPEB Liability</b>	<b>Employer's Proportionate Share of the County's Net OPEB Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the County's Net OPEB Liability as a Percentage of Its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
<b>Virginia Retirement System - Group Life Insurance</b>					
2024	1.1267%	\$ 34,420	\$ 776,804	4.43%	73.41%
2023	1.1858%	36,369	512,934	7.09%	69.30%
2022	0.9099%	26,362	512,934	5.14%	67.21%
<b>County of Albemarle Local Plan</b>					
2024	1.0968%	\$ 92,040	\$ 884,045	10.41%	0.00%
2023	0.9481%	73,696	555,345	13.27%	0.00%
2022	0.2822%	108,595	N/A	N/A	0.00%

Schedule is intended to show information for 10 years. Information prior to 2022 valuation is not 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.

**Charlottesville Albemarle  
Convention and Visitors Bureau**

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

<b>Entity Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Virginia Retirement System - Group Life Insurance</b>					
2025	\$ 3,990	\$ 3,990	\$ -	\$ 735,087	0.54%
2024	4,501	4,501	-	776,804	0.58%
2023	2,960	2,960	-	512,934	0.58%

**County of Albemarle Local Plan**

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

Schedule is intended to show information for 10 years. Information prior to 2023 is not available. However, additional years will be included as they become available.

**Charlottesville Albemarle  
Convention and Visitors Bureau**  
**Notes to Required Supplementary Information**  
June 30, 2025

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**Note 1 – Changes of Benefit Terms**

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*Pension*

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

*Other Postemployment Benefits (OPEB)*

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

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**Note 2 – Changes of Assumptions**

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

Largest 10 – Non-Hazardous Duty:

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

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

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



# Compliance Section



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

The Honorable Members of the Board of Directors  
Charlottesville Albemarle Convention & Visitors’ Bureau  
Charlottesville, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities and the major fund of Charlottesville Albemarle Convention & Visitors Bureau (“CACVB”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the CACVB’s basic financial statements and have issued our report thereon dated January 6, 2025.

### **Report on Internal Control over Financial Reporting**

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

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

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



## Report on Compliance and Other Matters

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

### Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia  
January 6, 2025

# Charlottesville Albemarle Convention and Visitors Bureau

## Summary of Compliance Matters

June 30, 2025

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

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### State Compliance Matters

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#### *Code of Virginia:*

Cash and Investment Laws

Conflict of Interest Act

Local Retirement Systems

Procurement Laws

Uniform Disposition of Unclaimed Property Act