



Darden Towe Memorial Park Financial Report

June 30, 2025

Darden Towe Memorial Park

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Independent Auditor's Report

To the Honorable Members of the Board of Supervisors
County of Albemarle, Virginia
as Fiscal Agent for Darden Towe Memorial Park
Charlottesville, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Darden Towe Memorial Park (the "Park"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Park'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 Park, as of June 30, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for 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 Park 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 15 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.

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; this includes 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 any conditions or events, considered in the aggregate, that raise substantial doubt about the Park's ability to



continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) 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 GAAS 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 Park's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park'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 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 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.

Report on Summarized Comparative Information

We have previously audited the Park’s 2024 financial statements, and our report dated January 13, 2025, expressed an unmodified opinion on those financial statements. The 2024 financial information is provided for comparative purposes only. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the Park’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 Park’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 Park’s internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 15, 2025



Basic Financial Statements

Darden Towe Memorial Park

Exhibit 1

Statement of Net Position June 30, 2025 (With Comparative Amounts as of June 30, 2024)

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 20,281
Accounts receivable	62,747	46,289
Prepaid expenses	-	385
Capital assets, net of accumulated depreciation	104,545	27,810
Total current assets	167,292	94,765
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to other postemployment benefits	4,241	4,510
Deferred outflows related to pension	51,089	38,564
Total deferred outflows	55,330	43,074
Total assets and deferred outflows of resources	\$ 222,622	\$ 137,839
LIABILITIES		
CURRENT LIABILITIES		
Reconciled overdraft	\$ 22,557	\$ -
Accounts payable	6,009	5,201
Compensation payable	8,816	10,012
Current portion of compensated absences	17,157	5,564
Total current liabilities	54,539	20,777
NONCURRENT LIABILITIES		
Compensated absences, net of current portion	40,507	50,074
Net pension liability	87,021	76,356
Net other postemployment benefit liability	24,314	25,673
Total noncurrent liabilities	151,842	152,103
Total liabilities	206,381	172,880
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to other postemployment benefits	10,011	15,040
Deferred inflows related to pension	16,703	14,044
Total deferred inflows of resources	26,714	29,084
NET POSITION (DEFICIT)		
Net investment in capital assets	104,545	27,810
Unrestricted (Deficit)	(115,018)	(91,935)
Total net position (deficit)	(10,473)	(64,125)
Total liabilities, deferred inflows of resources, and net position	\$ 222,622	\$ 137,839

Darden Towe Memorial Park

Exhibit 2

Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025
(With Comparative Amounts for the Year Ended June 30, 2024)

	2025	2024
OPERATING REVENUES		
Charges for services:		
City of Charlottesville	\$ 130,759	\$ 132,674
County of Albemarle	346,596	272,239
Rentals	7,440	7,440
Recreation fees	13,415	12,705
Total operating revenues	498,210	425,058
OPERATING EXPENSES		
Personnel	181,788	144,794
Payroll taxes and fringe benefits	89,862	71,559
Contractual services	46,982	45,674
Depreciation	15,393	3,090
Interest expense	4,094	6,965
Other charges	106,439	91,811
Total operating expenditures	444,558	363,893
Change in net position	53,652	61,165
BEGINNING NET POSITION (DEFICIT), JULY 1, as restated (Note 15)	(64,125)	(125,290)
ENDING NET POSITION (DEFICIT), JUNE 30	\$ (10,473)	\$ (64,125)

Darden Towe Memorial Park

Exhibit 3

Statement of Cash Flows For the Year Ended June 30, 2025 (With Comparative Amounts for the Year Ended June 30, 2024)

	2025	2024
OPERATING ACTIVITIES		
Receipts from customers	\$ 481,752	\$ 422,519
Payments to and for employees	(276,140)	(223,347)
Payments to suppliers and others	(129,671)	(147,991)
Net cash provided by operating activities	75,941	51,181
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(92,128)	(30,900)
Interest Payments	(4,094)	-
Net cash used for capital and related financing activities	(96,222)	(30,900)
Net change in cash and cash equivalents	(20,281)	20,281
CASH AND CASH EQUIVALENTS, Beginning of year	20,281	-
CASH AND CASH EQUIVALENTS, End of year	\$ -	\$ 20,281
Reconciliation of change in net position to net cash provided by operating activities:		
Change in net position	\$ 53,652	\$ 61,165
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation expense	15,393	3,090
Interest expense	4,094	-
Excess of employer contributions over pension expense	799	(8,609)
Excess of employer contributions over other postemployment benefits expense	(6,119)	(4,391)
(Increase) decrease in:		
Accounts receivable	(16,458)	4,426
Prepaid expenses	385	-
Increase (decrease) in:		
Reconciled overdraft	22,557	(14,656)
Accounts payable	808	4,150
Compensation payable	(1,196)	3,216
Compensated absences	2,026	2,790
Net cash provided by operating activities	\$ 75,941	\$ 51,181

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

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

Nature of operations

The City of Charlottesville and County of Albemarle executed a contract to jointly purchase certain real estate on October 17, 1985. The property was developed as a park.

Financial Reporting Entity

The Darden Towe Memorial Park (the “Park”) has determined that it is a related organization to the County of Albemarle (the “County”) and City of Charlottesville (the “City”) in accordance with applicable Governmental Accounting Standards Board statements. The Park is considered an intergovernmental (joint) venture and, therefore, its operations are not included in the County’s or City’s financial statements. The County and City provide the financial support for the Park. The Park is controlled by a four-member Supervisory Committee, which consists of two officials from each locality. No one locality has oversight responsibility over its operations.

Measurement Focus and Basis of Accounting

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

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Use of Estimates

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

Comparative Amounts

Comparative amounts are presented for informational purposes only.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

Deferred Outflows and 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.

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

- Contributions subsequent to the measurement date for pensions and OPEB: these will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors, changes in proportion, and changes in assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the Plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between project 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.

Capital Assets

Capital assets consist of property, equipment, and leasehold improvements that are valued at historical 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. Depreciation is provided on the straight-line method over the estimated useful lives as follows:

Buildings	15-20 years
Improvements	15-20 years
Equipment	5-10 years

Capital assets acquired prior to 2012 are fully depreciated and shown in this report as such. Capital assets consist primarily of land and include ball fields, shelters, and residential buildings. Capital assets acquired between 2012 and 2023 are owned by the respective participant localities and thus are not reported in these financial statements. Capital assets acquired after 2023 are owned by the Park and thus are reported in these financial statements, net of depreciation expense.

Depreciation expense amounted to \$15,393 for 2025. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to those assets.

Net Position

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

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

Net Position Flow Assumption

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

Compensated Absences

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

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

Sick Leave – Employees of the Park 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 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.

Pensions and Other Postemployment Benefits (OPEB)

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

Note 2 – Cash on Deposit with Fiscal Agent

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

Note 3 – Revenues and Expenses

Revenues are derived primarily from City and County appropriations, recreation fees, and rentals. Operating expenses are paid and charged to the Park by the County.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

Note 4 – Accounts Receivable

Accounts receivable consisted of \$62,747 due from the City of Charlottesville at June 30, 2025.

Note 5 – Fiscal Agent

The County of Albemarle serves as fiscal agent for the Park. All treasury, accounting, purchasing, and personnel activities and functions for the Park are performed by the County.

Note 6 – Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable:				
Improvements	\$ 11,400	\$ -	\$ -	\$ 11,400
Equipment	90,052	92,128	-	182,180
Total other capital assets	101,452	92,128	-	193,580
Accumulated depreciation:				
Improvements	11,400	-	-	11,400
Equipment	62,242	15,393	-	77,635
Total accumulated depreciation	73,642	15,393	-	89,035
Total capital assets being depreciated, net	27,810	76,735	-	104,545
Net capital assets	<u>\$ 27,810</u>	<u>\$ 76,735</u>	<u>\$ -</u>	<u>\$ 104,545</u>

Note 7 – Long-Term Obligations

The following is a summary of changes in long-term obligation transactions for fiscal year ending June 30, 2025:

	Balance July 1, 2024, as restated*	Increases	Decreases	Balance June 30, 2025	Due Within One Year
Net OPEB liabilities	\$ 25,673	\$ -	\$ 1,359	\$ 24,314	\$ -
Net pension liability	76,356	10,665	-	87,021	-
Compensated absences	55,638	2,026	-	57,664	17,157
Total long-term obligations	<u>\$ 157,667</u>	<u>\$ 12,691</u>	<u>\$ 1,359</u>	<u>\$ 168,999</u>	<u>\$ 17,157</u>

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

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

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

Note 8 – Defined Benefit Pension Plan

Plan Description

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

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

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

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

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 \$25,327 and \$20,834 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$947 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$239 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$97,543 for the year ended June 30, 2025.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

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

The Park reported liabilities of \$87,021 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. The Park's proportion of the Collective Net Pension Liability was based on the Park's actuarially determined employer contributions to the pension plan for the County's Plan's participating employees.

At June 30, 2025, the Park's proportion of the County plan was 0.2202% as compared to 0.2030% at June 30, 2024.

For the year ended June 30, 2025, the political subdivision recognized pension expense of \$21,712. There was a change in proportionate share between each year, however, the difference is insignificant and was reflected in current year pension expense.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,762	\$ 2,746
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	13,957
Employer contributions subsequent to the measurement date	25,327	-
Total	\$ 51,089	\$ 16,703

The \$25,327 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 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	\$ (2,214)
2027	13,470
2028	833
2029	(3,030)
2030	-
Thereafter	-

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.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

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. 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 percentage and by adding expected inflation.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public equity	32.00%	6.70%	2.14%
Fixed income	16.00	5.40	0.86
Credit strategies	16.00	8.10	1.30
Real assets	15.00	7.20	1.08
Private equity	15.00	8.70	1.31
PIP – Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	100.00%		7.07%
*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 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

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

Darden Towe Memorial Park

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Park's proportionate share of County's net pension liability	\$ 171,037	\$ 87,021	\$ 18,078

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 <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 9 – Other Postemployment Benefits Liability – Local Plan

Plan Description

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

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

Benefits Provided

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

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

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

Employees Covered by Benefit Terms

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

Net OPEB Liability

At June 30, 2025, the Park reported a liability of \$17,610 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 Park's proportion of the collective net OPEB liability was based on a projection of the Park's long-term share of contributions of the OPEB plan relative to the projected contributions of all participating employers. At June 30, 2025, the Park's proportionate share of the County's OPEB plan was 0.2099 %.

Actuarial Assumptions and Other Inputs

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

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

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

	1.00% Decrease (2.97%)	Current Discount Rate (3.97%)	1.00% Increase (4.97%)
Park's proportionate share of County's net OPEB liability	\$ 18,783	\$ 17,610	\$ 16,501

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

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

	1.00% Decrease (3.04%)	Healthcare Cost Trend (4.04%)	1.00% Increase (5.04%)
Park's proportionate share of County's net OPEB liability	\$ 15,836	\$ 17,610	\$ 19,657

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

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

For the year ended June 30, 2025, the Park recognized OPEB benefit of \$(1,163). At June 30, 2025, the Park reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 501	\$ 5,109
Change in assumptions	351	3,024
Change in proportion	656	812
Total	\$ 1,508	\$ 8,945

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

Year Ending June 30,	Reduction to Pension Expense
2026	\$ (2,380)
2027	(2,075)
2028	(1,732)
2029	(1,246)
2030	(4)
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).

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

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the Park 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 Park participates in GLI through the County. The Park accounts for and reports its participation in the County's GLI plan by applying the requirements for a cost-sharing multiple-employer plan.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

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 Plan is administered by the VRS along with pensions and other OPEB plans for public employee 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. 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	\$777
June 30, 2025, Contribution	\$771

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.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

Group Life Insurance Program

June 30, 2025, proportionate share of County liability	\$6,704
June 30, 2024, proportion of the County plan	0.2194%
June 30, 2023, proportion of the County plan	0.2030%
June 30, 2025, expense	\$455

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

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

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,057	\$ 164
Change in assumptions	38	332
Net difference between projected and actual earnings on OPEB plan investments	-	565
Change in proportion	861	5
Employer contributions subsequent to the measurement date	777	-
Total	\$ 2,733	\$ 1,066

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

Group Life Insurance Program

Year Ending July 30,	Effect on OPEB Expense
2026	\$ (47)
2027	333
2028	203
2029	226
2030	175
Thereafter	-

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

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%
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 in Note 8.

Net OPEB Liabilities

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

	Group Life Insurance Program
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 8.

Discount Rate

The discount rate used to measure the GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI. From July 1, 2024, on participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ 10,426	\$ 6,704	\$ 3,697

OPEB Plan Fiduciary Net Position

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

OPEB Plan Data

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

	OPEB Plans			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense (Benefit)
Group Life Insurance Program	\$ 2,733	\$ 1,066	\$ 6,704	\$ 455
Local Plan	1,508	8,945	17,610	(1,163)
	\$ 4,241	\$ 10,011	\$ 24,314	\$ (708)

Note 12 – Net Position (Deficit)

At June 30, the Park had a deficit in unrestricted net position of \$115,018. The deficit results primarily from pension and OPEB liabilities. The deficit is anticipated to be recovered as the liabilities are funded.

Darden Towe Memorial Park

Notes to Financial Statements

June 30, 2025

Note 13 – Risk Management

Through its fiscal agent, the Park maintains workers' compensation coverage under a contract with the Virginia Association of Counties Group Self Insurance Risk Pool (VACORP). The Park is also a participating employer for health and dental coverage in the fiscal agent's health and dental plans. As a participating employer, the Park 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.

The Park 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.

Note 14 – New Accounting Standards

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

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

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

Note 15 – Restatement of Beginning Net Position

For the year ended June 30, 2025, the Park adopted GASB Statement No. 101, *Compensated Absences*, which requires liabilities for compensated absence to be recognized when leave has not been used and may be paid in future reporting periods. Implementation of the statement requires a restatement of net position in the earliest year presented. The Park's restatement of net position is summarized below.

Net position, July 1 2023, as previously reported	\$ (81,333)
Effects on adopting GASB 101	(43,957)
Net position, July 1, 2023, as restated	<u>\$ (125,290)</u>
Net position, July 1 2024, as previously reported	\$ (20,168)
Effects on adopting GASB 101	(43,957)
Net position, July 1, 2024, as restated	<u>\$ (64,125)</u>

Note 16 – Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified with current year presentation. These reclassifications had no effect on the reported results of operations.



Required Supplementary Information

Darden Towe Memorial Park

Schedule of Park's Proportionate Share of the Net Pension Liability

June 30, 2025

Plan Fiscal Year Ended June 30	Employer's Proportion of the County's Net Pension Liability	Employer's Proportionate Share of the County's Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the County's Net Pension Liability as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.2202%	\$ 87,021	\$ 142,685	60.99%	85.87%
2023	0.2030%	76,356	132,653	57.56%	85.87%
2022	0.2206%	65,332	128,068	51.01%	87.88%
2021	0.1766%	40,988	85,597	47.88%	90.34%
2020	0.2333%	119,862	116,899	102.53%	76.95%
2019	0.2225%	78,778	102,885	76.57%	82.70%
2018	0.2392%	67,608	101,152	66.84%	84.98%
2017	0.2570%	70,734	101,152	69.93%	84.45%

Schedule is intended to show information for 10 years. Information prior to 2017 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 Park's fiscal year.

Darden Towe Memorial Park

Schedule of Pension Contributions

June 30, 2025

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 25,327	\$ 25,327	\$ -	\$ 165,981	15.26%
2024	20,834	20,834	-	142,685	14.60%
2023	19,520	19,520	-	132,653	14.72%
2022	17,309	17,309	-	128,068	13.52%
2021	11,624	11,624	-	85,597	13.58%
2020	13,759	13,759	-	116,899	11.77%
2019	11,697	11,697	-	102,885	11.37%
2018	12,581	12,581	-	101,152	12.44%

Schedule is intended to show information for 10 years. Information prior to 2018 valuation is not available. However, additional years will be included as they become available.

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

Darden Towe Memorial Park
Schedule of Park's Share of Net OPEB Liability
June 30, 2025

Plan Fiscal Year Ended June 30	Employer's Proportion of the County's Net OPEB Liability	Employer's Proportionate Share of the County's Net OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the County's Net OPEB Liability as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Group Life Insurance					
2024	0.2194%	\$ 6,704	\$ 142,710	4.70%	73.41%
2023	0.2030%	6,227	132,732	4.69%	69.30%
2022	0.2203%	6,384	92,378	6.91%	67.21%
2021	0.0004%	6,337	113,148	5.60%	67.45%
2020	0.0005%	8,603	106,154	8.10%	52.64%
2019	0.0005%	8,210	98,905	8.30%	52.00%
2018	0.0005%	7,898	102,106	7.74%	51.22%
2017	0.0005%	7,932	97,200	8.16%	48.86%
County of Albemarle Local Plan					
2024	0.2099%	\$ 17,610	N/A	N/A	0.00%
2023	0.2502%	19,466	N/A	N/A	0.00%
2022	0.2502%	28,655	N/A	N/A	0.00%
2021	0.6546%	82,623	N/A	N/A	0.00%
2020	0.6546%	90,455	N/A	N/A	0.00%
2019	0.6546%	82,908	N/A	N/A	0.00%
2018	0.6546%	76,010	N/A	N/A	0.00%
2017	0.6546%	70,723	N/A	N/A	0.00%

Schedule is intended to show information for 10 years. Information prior to 2017 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.

Darden Towe Memorial Park

Schedule of OPEB Contributions

June 30, 2025

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Group Life Insurance					
2025	\$ 777	\$ 777	\$ -	\$ 165,335	0.47%
2024	771	771	-	142,710	0.54%
2023	717	717	-	132,732	0.54%
2022	499	499	-	92,378	0.54%
2021	611	611	-	113,148	0.54%
2020	552	552	-	106,154	0.52%
2019	514	514	-	98,905	0.52%
2018	535	535	-	102,106	0.52%

County of Albemarle Local Plan

Data is not disclosed for the Park'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 2018 is not available. However, additional years will be included as they become available.

Darden Towe Memorial Park
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Changes of Benefit Terms

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.

Note 2 – Changes of Assumptions

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

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 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 age and service through 9 years of service.
- No change to disability rates.
- No changes 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 Supervisors
County of Albemarle, Virginia as Fiscal Agent
For Darden Towe Memorial Park
Charlottesville, Virginia

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

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Park's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the Park'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 a material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.**



Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Harrisonburg, Virginia
December 15, 2025

Darden Towe Memorial Park

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 Park's compliance with certain provisions of laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia:

Cash and Investment Laws

Conflict of Interest Act

Local Retirement Systems

Procurement Laws

Uniform Disposition of Unclaimed Property Act