NEW ISSUE	**Ratings: Moody's: Aa1**
BOOK-ENTRY ONLY	**Standard & Poor's: AA+**
	Fitch: AA+
	(See "Ratings")

In the opinion of Bond Counsel, under current law and subject to conditions described in the section "TAX MATTERS," (1) interest on the Series 2023A Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, and (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations; (2) interest on the series 2023B Notes is not excludable from gross income for federal income tax purposes; and (3) interest on the Series 2023 Bonds is exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal tax consequences as described in the section "TAX MATTERS."

ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA

\$109,305,000	**\$58,850,000**
Public Facility Revenue Bonds	**Public Facility Revenue Notes**
(Albemarle County Projects)	**(Albemarle County Projects)**
Series 2023A (Tax-Exempt)	**Series 2023B (Federally Taxable)**

Dated: Date of Issuance **Due: June 1, as shown on the inside cover**

This Official Statement has been prepared by the County of Albemarle, Virginia (the "County"), on behalf of the Economic Development Authority of Albemarle County, Virginia (the "Authority"), to provide information on its \$109,305,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2023A (Tax-Exempt) (the "Series 2023A Bonds"), and its \$58,850,000 Public Facility Revenue Notes (Albemarle County Projects), Series 2023B (Federally Taxable) (the "Series 2023B Notes" and, together with the Series 2023A Bonds, the "Series 2023 Bonds"), the security therefor, the County, the use of the proceeds of the Series 2023 Bonds and other relevant information. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2023 Bonds, a prospective investor should read this Official Statement in its entirety.

Security	**THE SERIES 2023 BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM CERTAIN PAYMENTS TO BE MADE BY THE COUNTY PURSUANT TO A FINANCING AGREEMENT DATED AS OF MARCH 1, 2003, AS PREVIOUSLY SUPPLEMENTED AND AS FURTHER SUPPLEMENTED BY A SEVENTH SUPPLEMENTAL FINANCING AGREEMENT DATED AS OF NOVEMBER 1, 2023 (COLLECTIVELY, THE "FINANCING AGREEMENT"), BETWEEN THE COUNTY AND THE AUTHORITY, AND FROM CERTAIN FUNDS AND THE INVESTMENT INCOME THEREFROM HELD BY THE TRUSTEE. THE UNDERTAKING BY THE COUNTY TO MAKE PAYMENTS UNDER THE FINANCING AGREEMENT WILL BE SUBJECT TO APPROPRIATIONS BY THE COUNTY BOARD OF SUPERVISORS FROM TIME TO TIME OF SUFFICIENT FUNDS FOR SUCH PURPOSE. NEITHER THE SERIES 2023 BONDS NOR THE FINANCING AGREEMENT CONSTITUTES A DEBT OF THE COUNTY OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY. THE SERIES 2023 BONDS AND THE PREMIUM, IF ANY, AND INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2023 BONDS OR OTHER COSTS INCIDENT TO THEM EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSE. THE AUTHORITY HAS NO TAXING POWER.**
Issued Pursuant To	The Series 2023 Bonds will be issued pursuant to an Agreement of Trust dated as of March 1, 2003, as previously supplemented and amended and as further supplemented by an Eighth Supplemental Agreement of Trust dated as of November 1, 2023, between the Authority and U.S. Bank Trust Company, National Association, as Trustee.
Trustee	U.S. Bank Trust Company, National Association
Purpose	The proceeds of the Series 2023 Bonds will be used, together with other available funds, to (a) finance a portion of the 2023 Projects (as defined herein) and (b) pay the related costs of issuance.
Interest Payment Dates	June 1 and December 1, commencing June 1, 2024.
Regular Record Dates	May 15 and November 15.
Redemption	The Series 2023 Bonds are subject to redemption as set forth herein.
Denominations	\$5,000 and integral multiples thereof.
Closing/Delivery Date	On or about November 15, 2023.
Registration	Full book-entry only; The Depository Trust Company, New York, New York
Bond Counsel	Hunton Andrews Kurth LLP, Richmond, Virginia
County Attorney	Steven Rosenberg, Esquire
Authority Counsel	St. John, Bowling & Lawrence, PLC, Charlottesville, Virginia

Dated: October 26, 2023

ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA

$109,305,000
PUBLIC FACILITY REVENUE BONDS
(ALBEMARLE COUNTY PROJECTS),
SERIES 2023A (TAX-EXEMPT)

Maturity (June 1)	Principal Amount	Interest Rate	Yield	CUSIP** 01266H
2026	$6,075,000	5.000%	3.680%	ES4
2027	6,075,000	5.000	3.630	ET2
2028	6,075,000	5.000	3.600	EU9
2029	6,075,000	5.000	3.620	EV7
2030	6,075,000	5.000	3.660	EW5
2031	6,075,000	5.000	3.680	EX3
2032	6,075,000	5.000	3.700	EY1
2033	6,075,000	5.000	3.710	EZ8
2034	6,075,000	5.000	3.770*	FA2
2035	6,070,000	5.000	3.880*	FB0
2036	6,070,000	5.000	4.020*	FC8
2037	6,070,000	5.000	4.160*	FD6
2038	6,070,000	5.000	4.270*	FE4
2039	6,070,000	5.000	4.320*	FF1
2040	6,070,000	5.000	4.380*	FG9
2041	6,070,000	5.000	4.440*	FH7
2042	6,070,000	5.000	4.500*	FJ3
2043	6,070,000	5.000	4.550*	FK0

$58,850,000
PUBLIC FACILITY REVENUE NOTES
(ALBEMARLE COUNTY PROJECTS),
SERIES 2023B (FEDERALLY TAXABLE)

Maturity (June 1)	Principal Amount	Interest Rate	Yield	CUSIP** 01266H
2028	$58,850,000	5.300%	5.350%	FL8

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* Yield reflects Series 2023A Bonds priced to first optional call date of June 1, 2033.

** Copyright 2013, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Series 2023 Bonds, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2023 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023 Bonds.

The Series 2023 Bonds will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2023 Bonds will also be exempt from registration under the securities laws of Virginia.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representation should not be relied upon as having been authorized by the Authority or the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Series 2023 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the County or the Authority since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

The Trustee has neither reviewed nor participated in the preparation of this Official Statement.

This Official Statement contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words, "estimate", "project", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the County's operations and financial results could cause actual results to differ materially from those stated in the forward-looking statements.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2023 Bonds, including transactions to (a) overallot in arranging the sales of the Series 2023 Bonds and (b) make purchases and sales of the Series 2023 Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriter may determine.

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OFFICIAL STATEMENT

ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA

$109,305,000 **Public Facility Revenue Bonds** **(Albemarle County Projects)** **Series 2023A (Tax-Exempt)**	**$58,850,000** **Public Facility Revenue Notes** **(Albemarle County Projects)** **Series 2023B (Federally Taxable)**

SECTION ONE: INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide information in connection with the issuance by the Economic Development Authority of Albemarle County, Virginia (the "Authority"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), of its $109,305,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2023A (Tax-Exempt) (the "Series 2023A Bonds"), and its $58,850,000 Public Facility Revenue Notes (Albemarle County Projects), Series 2023B (Federally Taxable) (the "Series 2023B Notes" and, together with the Series 2023A Bonds, the "Series 2023 Bonds"). The following introductory material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is hereby made for all purposes. Certain capitalized terms used in this Official Statement are defined in Appendix A - "Definitions of Certain Terms."

The Issuer

The issuer of the Series 2023 Bonds is the Economic Development Authority of Albemarle County, Virginia, a political subdivision of the Commonwealth of Virginia.

The Series 2023 Bonds

The County plans to use the proceeds of the Series 2023A Bonds, together with other available funds, to (a) finance the Series 2023A Project (as defined herein), and (b) pay the related costs of issuance. The County plans to use the proceeds of the Series 2023B Notes, together with other available funds, to (a) finance the Series 2023B Project (as defined herein), and (b) pay the related costs of issuance.

The Series 2023 Bonds will be issued in accordance with the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), and pursuant to an Agreement of Trust dated as of March 1, 2003 (the "Master Trust Agreement"), as previously supplemented and amended and as further supplemented by an Eighth Supplemental Agreement of Trust dated as of November 1, 2023 (the "Eighth Supplemental Trust Agreement" and, together with the Master Trust Agreement as previously supplemented and amended, the "Trust Agreement"), between the Authority and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"). Pursuant to the terms of the Trust Agreement, the Authority has determined to issue from time to time revenue bonds or notes and use the proceeds thereof to finance and refinance certain "authority facilities" (as defined in the Act) and economic development initiatives, as requested by the County of Albemarle, Virginia (the "County"). Except as otherwise provided in the Trust Agreement, the Series 2023 Bonds will be secured on a parity with the outstanding principal amounts of the Authority's $38,880,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2015B (the "Series 2015B Bonds"), $22,240,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2017 (the "Series 2017 Bonds"), $66,710,000 Public Facility Revenue and Refunding Bonds (Albemarle County Projects), Series 2021A (Federally Tax-Exempt) (the "Series 2021A Bonds"), $8,235,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2021B (Federally Taxable) (the "Series 2021B Bonds"), and $16,920,000 Public Facility Revenue Refunding Bonds (Albemarle County Project), Series 2022 (the "Series 2022 Bonds" and, together with the Series 2015B Bonds, the Series 2017 Bonds, the Series 2021A Bonds, and the Series 2021B Bonds, the "Existing Parity Bonds").

The Authority and the County have entered into a Financing Agreement dated as of March 1, 2003, as previously supplemented and as further supplemented by a Seventh Supplemental Financing Agreement dated as of November 1, 2023 (collectively, the "Financing Agreement"), pursuant to which the County has requested the Authority to finance or refinance projects from time to time with the proceeds of Series 2023 Bonds issued under the Trust Agreement, and the County has agreed, subject to appropriation by the Board of Supervisors of the County (the

"County Board"), to support such request by paying to or on behalf of the Authority amounts sufficient to pay the principal of and premium, if any, and interest due on the Existing Parity Bonds and the Series 2023 Bonds (the "Basic Payments") and other amounts due under the Financing Agreement (the "Additional Payments").

The Series 2023 Bonds and the premium, if any, and interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement. The Series 2023 Bonds and the premium, if any, and interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the principal of or premium, if any, or interest on the Series 2023 Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2023 Bonds or other costs incident thereto.

More complete descriptions of the Trust Agreement and the Financing Agreement are provided in Appendix B - "Summary of the Financing Documents."

Redemption

Optional Redemption. The Series 2023A Bonds maturing prior to June 1, 2034, will not be subject to optional redemption. The Series 2023A Bonds maturing on and after June 1, 2034, will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, at any time on or after June 1, 2033, in whole or in part (in integral multiples of $5,000), upon payment of 100% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

The Series 2023B Notes will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, at any time on or after June 1, 2026, in whole or in part (in integral multiples of $5,000), upon payment of 100% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

A more complete description of the optional redemption features is provided in the subsection "Redemption" in Section Two.

Delivery

The Series 2023 Bonds are offered for delivery when, as and if issued, subject to the approval of validity by Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, and to certain other exceptions referred to herein. Certain legal matters will be passed upon for the County by the County Attorney, Steven Rosenberg, Esquire, and for the Authority by its counsel, St. John, Bowling & Lawrence, PLC, Charlottesville, Virginia.

Ratings

The Series 2023 Bonds have been rated as shown on the cover page hereto by Fitch Ratings, One State Street Plaza, New York, New York 10004, Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, and S&P Global Ratings, 55 Water Street, New York, New York 10041. A more complete description of each rating is provided in the section "RATINGS" in Section Three.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the County in connection with the issuance of the Series 2023 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2023 Bonds is contingent upon the issuance and delivery of the Series 2023 Bonds.

Continuing Disclosure

For purposes of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission ("SEC"), the County is an obligated person with respect to the Series 2023 Bonds. The County has agreed to execute a Continuing Disclosure Agreement at closing to assist the underwriter in complying with the provisions of the Rule as in effect on the date hereof, by providing annual financial information and certain event notices required by the Rule. *See "CONTINUING DISCLOSURE" in Section Three.*

Additional Information

Any questions concerning the content of this Official Statement should be directed to Jacob Sumner, Interim Chief Financial Officer, Albemarle County, 401 McIntire Road, Charlottesville, Virginia 22902 (434-296-5855), or the County's Financial Advisor, Davenport & Company LLC (804-697-2900).

SECTION TWO: THE SERIES 2023 BONDS

THE AUTHORITY

The Authority is a political subdivision of the Commonwealth of Virginia created pursuant to the Act. The Act empowers the Authority to acquire, construct, lease, remodel, renovate and equip any public building or other facility used for public purposes, to undertake economic development initiatives, and to finance or refinance the costs of such facilities and initiatives. The County Board has requested the Authority to undertake the Series 2023A Project and the Series 2023B Project.

The Authority is not obligated to pay the principal of or premium, if any, or interest on the Series 2023 Bonds or other costs incident thereto except from amounts received therefor under the Financing Agreement. ***The Authority has no taxing power.***

THE SERIES 2023 BONDS

General

The Series 2023 Bonds will be dated the date of issuance, will bear interest from their date, payable semiannually on each June 1 and December 1, beginning June 1, 2024, at the rates, and will mature on June 1 in the years and amounts as set forth on the inside cover of this Official Statement. If such interest payment date is not a Business Day, such payment will be made on the next succeeding Business Day with the same effect as if made on the interest payment date and no additional interest will accrue. Interest on the Series 2023 Bonds will be payable by check or draft mailed to the registered owner at his address as it appears on the registration books kept by the Trustee as of the May 15 and November 15 preceding each respective payment date.

The Series 2023 Bonds will be issued as fully registered bonds, in denominations of $5,000 or integral multiples thereof, initially in book-entry form only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial ownership in the Series 2023 Bonds will be made in principal amounts of $5,000 and multiples of $5,000. Individual purchasers of beneficial ownership in the Series 2023 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. So long as the Series 2023 Bonds are in book-entry form, transfer of the Series 2023 Bonds and payment of principal of and premium, if any, and interest on the Series 2023 Bonds will be effected as described below in Appendix G - "Book-Entry Only System." If the book-entry system is discontinued, bond certificates will be delivered as described in the Trust Agreement, and Beneficial Owners will become registered owners of the Series 2023 Bonds. Registered owners of the Series 2023 Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the "Bondholders." **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners.** *See Appendix G - "Book-Entry Only System."*

The Series 2023 Bonds will be limited obligations of the Authority as described more fully in the section "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 Bonds."

Redemption

Optional Redemption. The Series 2023A Bonds maturing prior to June 1, 2034, will not be subject to optional redemption. The Series 2023A Bonds maturing on and after June 1, 2034, will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, at any time on or after June 1, 2033, in whole or in part (in integral multiples of $5,000), upon payment of 100% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

The Series 2023B Notes will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, at any time on or after June 1, 2026, in whole or in part (in integral multiples of $5,000), upon payment of 100% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

Notice of Redemption

Notice of redemption will be given by the Trustee by facsimile transmission or other electronic means, registered or certified mail, overnight express delivery or such other means acceptable to the Bondholders not less than 30 nor more than 60 days before the date fixed for redemption to DTC, or, if DTC is no longer serving as securities depository for the Series 2023 Bonds, to the substitute securities depository, or, if none, to the respective registered owner of each Series 2023 Bond to be redeemed at the address shown on the registration books maintained by the Trustee. This notice of redemption will also be given to certain securities depositories and certain national information services which disseminate redemption notices. During the period that DTC or its nominee is the registered owner of the Series 2023 Bonds, the Trustee will not be responsible for mailing notices of redemption to the Beneficial Owners.

In the case of an optional redemption, the notice of redemption may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the date fixed for redemption or (2) the Authority, as directed by the County, retains the right to rescind such notice of redemption on or prior to the date fixed for redemption (in either case, a "Conditional Redemption"), and such notice of redemption and optional redemption will be of no effect if such moneys are not so deposited or if the notice of redemption is rescinded as described herein. Any Conditional Redemption pursuant to clause (2) above may be rescinded at any time prior to the date fixed for redemption if the Authority delivers a written direction to the Trustee directing the Trustee to rescind the notice of redemption, and any funds deposited with the Trustee in connection with such rescinded redemption will be returned to the County. The Trustee will give prompt notice of such rescission to the affected Bondholders. Any Series 2023 Bonds subject to Conditional Redemption where redemption has been rescinded will remain outstanding, and the rescission will not constitute an Event of Default. Further, in the case of a Conditional Redemption, the failure of the Authority to make funds available on or before the date fixed for redemption will not constitute an Event of Default, and the Trustee will give prompt notice to all organizations registered with the SEC as securities depositories or the affected Bondholders that the redemption did not occur and that the Series 2023 Bonds called for redemption and not so paid remain outstanding.

Manner of Redemption

If less than all of the Series 2023 Bonds of a particular Series are called for optional redemption, the maturities of such Bonds (or portions thereof) to be redeemed shall be selected by the County. If less than all of a maturity of Series 2023 Bonds of a particular Series are called for redemption, the specific maturities of such Bonds to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2023 Bond to be redeemed shall be in the principal amount of $5,000 or some integral multiple thereof. In selecting Series 2023 Bonds for redemption, each Series 2023 Bond shall be considered as representing that number of Series 2023 Bonds that is obtained by dividing the principal amount of such Series 2023 Bond by $5,000. If a portion of a Series 2023 Bond shall be called for redemption, a new Series 2023 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Effect of Redemption

On the date on which any Series 2023 Bonds have been called for redemption and sufficient funds for their payment on such date are held by the Trustee, interest on such Series 2023 Bonds will cease to accrue and their registered owners will be entitled to receive payment only from the Trustee from funds available for that purpose.

Plan of Financing of the Series 2023 Projects

The County expects to use a portion of the Series 2023A Bond proceeds to (1) finance or reimburse (a) the costs of certain projects in the County's capital improvement plan, including (without limitation) capital expenditures related to the following governmental and public purpose categories: (i) judicial, (ii) parks, recreation and cultural, (iii) public safety, (iv) public works, (v) schools, (vi) transportation and (vii) solid waste (collectively, the "Series 2023A Project"), and (2) pay the related costs of issuance.

The County expects to use a portion of the Series 2023B Note proceeds to (1) finance the costs of acquiring certain real property to be used for any of the following purposes: (a) any public use, including (without limitation) public facilities such as educational facilities and military installations (pursuant to Virginia Code § 15.2-1800), (b) facility site(s) (pursuant to Virginia Code § 15.2-4917), and (c) development of business and industry (pursuant to Virginia Code § 15.2-1802) (collectively, the "Series 2023B Project" and, together with the Series 2023A Project, the "Series 2023 Projects"), and (2) pay the related costs of issuance.

Essentiality of the Series 2023 Projects to the County

The County Board has determined that the Series 2023 Projects are either essential to the efficient operation of the County or important to the welfare or quality of life of County residents. On September 6, 2023, the County Board adopted a resolution approving the issuance of the Series 2023 Bonds to finance the acquisition, construction and equipping of the Series 2023 Projects and expressing its intent to appropriate sufficient funds for such purposes and to recommend to future County Boards to do likewise.

Estimated Sources and Uses of Funds

The proceeds received from the sale of the Series 2023 Bonds are expected to be applied as follows:

	Series 2023A Bonds	Series 2023B Notes
Estimated Sources of Funds		
Par Amount of Bonds	$109,305,000.00	$58,850,000.00
Original Issue Premium (Discount)	7,088,277.65	(119,465.50)
Total Sources	$116,393,277.65	$58,730,534.50
Estimated Uses of Funds		
Deposit to Applicable Series Project Account	$115,482,139.00	$58,000,000.00
Costs of Issuance (including underwriting compensation)	911,138.65	730,534.50
Total Uses	$116,393,277.65	$58,730,534.50

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Estimated Debt Service Requirements

The following table shows for each bond year, which is any 12-month period ending on June 1, amounts required for payment of principal (either at maturity or upon mandatory sinking fund redemption) of and interest on the Existing Parity Bonds and the Series 2023 Bonds.

		Series 2023A Bonds			Series 2023B Notes			
Bond Year	**Total Debt Service on Existing Parity Bonds**	**Principal**	**Interest**	**Total Debt Service**	**Principal**	**Interest**	**Total Debt Service**	**Total Debt Service**
2024	$ 13,175,809	-	$ 2,975,525	$ 2,975,525	-	$ 1,698,149.44	$ 1,698,149.44	$ 17,849,483.44
2025	13,025,809	-	5,465,250	5,465,250	-	3,119,050.00	3,119,050.00	21,610,109.00
2026	13,033,164	$ 6,075,000	5,465,250	11,540,250	-	3,119,050.00	3,119,050.00	27,692,464.00
2027	10,736,444	6,075,000	5,161,500	11,236,500	-	3,119,050.00	3,119,050.00	25,091,994.00
2028	10,279,944	6,075,000	4,857,750	10,932,750	$58,850,000	3,119,050.00	$61,969,050.00	83,181,744.00
2029	10,279,544	6,075,000	4,554,000	10,629,000	-	-	-	20,908,544.00
2030	9,952,144	6,075,000	4,250,250	10,325,250	-	-	-	20,277,394.00
2031	9,949,081	6,075,000	3,946,500	10,021,500	-	-	-	19,970,581.00
2032	9,939,119	6,075,000	3,642,750	9,717,750	-	-	-	19,656,869.00
2033	9,275,119	6,075,000	3,339,000	9,414,000	-	-	-	18,689,119.00
2034	7,252,850	6,075,000	3,035,250	9,110,250	-	-	-	16,363,100.00
2035	7,250,638	6,070,000	2,731,500	8,801,500	-	-	-	16,052,138.00
2036	6,680,925	6,070,000	2,428,000	8,498,000	-	-	-	15,178,925.00
2037	5,318,925	6,070,000	2,124,500	8,194,500	-	-	-	13,513,425.00
2038	4,031,900	6,070,000	1,821,000	7,891,000	-	-	-	11,922,900.00
2039	4,027,400	6,070,000	1,517,500	7,587,500	-	-	-	11,614,900.00
2040	4,031,500	6,070,000	1,214,000	7,284,000	-	-	-	11,315,500.00
2041	4,029,000	6,070,000	910,500	6,980,500	-	-	-	11,009,500.00
2042	-	6,070,000	607,000	6,677,000	-	-	-	6,677,000.00
2043	-	6,070,000	303,500	6,373,500	-	-	-	6,373,500.00
	$152,269,315	$109,305,000	$60,350,525	$169,655,525	$58,850,000	$14,174,349.44	$73,024,349.44	$394,949,189.44

Note: Indicates gross debt service requirements. Actual debt service payments may be less depending on earnings received on the investment of moneys on deposit in other funds under the Trust Agreement and transferred to the Bond Fund.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2023 BONDS

The following is a summary of the sources of security and sources of payment for the Series 2023 Bonds. The references to the Series 2023 Bonds, the Financing Agreement and the Project Fund are qualified in their entirety by reference to such documents and the provisions relating to the Project Fund contained in the Trust Agreement.

Security for the Series 2023 Bonds

The Series 2023 Bonds will be equally and ratably secured by (1) Basic Payments, which will be assigned by the Authority to the Trustee and will be applied to the payment of principal of, premium, if any, and interest on the Bonds (currently consisting of the Series 2023 Bonds and the Existing Parity Bonds) as set forth in the Trust Agreement, without preference, priority or distinction of any Bond over any other Bond, and (2) certain funds established under the Trust Agreement and the investment income therefrom. The Series 2023 Bonds are equally and ratably secured under the Trust Agreement with the Existing Parity Bonds and any Additional Bonds that may hereafter be issued under the Trust Agreement; provided that any lease agreement or financing lease relating to a particular Series of Bonds will secure only such Bonds (unless otherwise provided in a Supplemental Trust Agreement), moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds will secure only such Bonds, moneys in any account or subaccount of the Project Fund relating to a particular Series of Bonds will secure only such Bonds, and moneys in any account or subaccount of the Debt Service Reserve Fund relating to a particular Series of Bonds will secure only such Bonds (and may also secure any Additional Bonds issued to refund prior Bonds).

The Series 2023 Bonds and the premium, if any, and interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement and the investment income therefrom. The undertaking by the County to make payments under the Financing Agreement is subject to appropriation from time to time by the County Board. The County Board has no legal obligation to make any such appropriations. ***See "BONDHOLDERS' RISKS" in Section Three.***

The Series 2023 Bonds and the premium, if any, and interest thereon will not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, will be obligated to pay the principal of or premium, if any, or interest on the Series 2023 Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2023 Bonds or other costs incident thereto. The Authority has no taxing power.

Financing Agreement

The Authority is issuing the Series 2023 Bonds for the purpose of providing funds to finance the costs of the Series 2023 Projects and to pay the costs of issuance of the Series 2023 Bonds. The Financing Agreement provides for the County to make payments on behalf of the Authority that will be sufficient to pay the principal of and premium, if any, and interest on the Bonds (currently consisting of the Series 2023 Bonds and the Existing Parity Bonds) as the same shall become due in accordance with their terms and provisions and the terms of the Trust Agreement. The undertaking by the County to make payments under the Financing Agreement will constitute a current expense of the County, subject to appropriation by the County Board from time to time of sufficient funds for such purpose. The County will not be liable for any such payments due under the Financing Agreement unless and until funds have been appropriated by the County Board for payment and then only to the extent of such appropriation.

The Financing Agreement provides for the County to pay to the Trustee, as assignee of the Authority, Basic Payments in amounts calculated to be sufficient to pay principal of and interest when due on the Existing Parity Bonds, the Series 2023 Bonds and any Additional Bonds issued under the Trust Agreement. Basic Payments will be due on or before each May 20 and November 20 prior to the respective principal or interest payment date on the Existing Parity Bonds, the Series 2023 Bonds and any Additional Bonds. The Financing Agreement also provides for the

County to pay certain Additional Payments, including any redemption premium that may be payable on the Existing Parity Bonds, the Series 2023 Bonds and any Additional Bonds.

Other provisions of the Financing Agreement are summarized in Appendix B - "Summary of the Financing Documents."

The undertaking by the County to make payments under the Financing Agreement constitutes neither a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any Fiscal Year for which the County Board has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the holders of the Series 2023 Bonds with respect to the County's undertaking to make payments under the Financing Agreement or with respect to the performance by the County of any other covenant contained therein.

No Series Debt Service Reserve Account Established for the Series 2023 Bonds

No Series Debt Service Reserve Account will be established for the Series 2023A Bonds or the Series 2023B Notes. No monies on deposit in the Debt Service Reserve Fund, which has been established but is not currently funded, will secure the Series 2023 Bonds.

Bond Fund

Under the Trust Agreement, the Authority pledges to the Trustee all right, title and interest to the Financing Agreement, including the Basic Payments and Additional Payments made by the County, but excluding certain rights to receive payment of the Authority's fees and expenses and to receive notices thereunder. Such payments under the Financing Agreement, along with funds on deposit in the Bond Fund, are pledged to the payment of principal of and premium, if any, and interest on the Bonds.

The Trust Agreement provides that the Trustee will deposit in the Bond Fund all Basic Payments received by the Trustee from the County under the Financing Agreement, together with any amounts transferred from the Series 2023A Project Account and the Series 2023B Project Account. From the amounts received by the Trustee from the County, the Trustee will deposit in the subaccount of the Interest Account an amount equal to the interest due and payable on the next interest payment date for the Series 2023 Bonds and will deposit in the subaccount established for the Series 2023 Bonds in the Principal Account an amount equal to the principal due and payable on the next principal payment date for the Series 2023 Bonds. If a redemption premium is payable on the Series 2023 Bonds, the Trustee will deposit in the subaccount of the Premium Account of the Bond Fund that portion of an Additional Payment representing the amount of the redemption premium due. *For additional information concerning the Bond Fund, see Appendix B - "Summary of the Financing Documents – THE TRUST AGREEMENT."*

Project Fund

The Trust Agreement establishes within the Project Fund a Series 2023A Project Account and a Series 2023B Project Account (together, the "Series 2023 Project Accounts") into which the Trustee will deposit portions of the proceeds of the Series 2023A Bonds and the Series 2023B Notes, respectively. The Trustee will use money in the Series 2023A Project Account solely (a) to finance the Series 2023A Project and (b) to pay costs of issuing the Series 2023A Bonds. The Trustee will use money in the Series 2023B Project Account solely (a) to finance the Series 2023B Project and (b) to pay costs of issuing the Series 2023B Notes. The Trustee will make payments from the Series 2023 Project Accounts upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned. *For additional information concerning the Project Fund, see Appendix B - "Summary of the Financing Documents – THE TRUST AGREEMENT."*

Additional Bonds

The Authority may issue from time to time Additional Bonds secured on an equal and ratable basis with the Existing Parity Bonds and the Series 2023 Bonds (a) to finance or refinance the Cost of a Project, (b) to refund any Bonds previously issued or (c) for a combination of such purposes. Any such Additional Bonds will be issued under a Supplemental Trust Agreement and an amendment to the Financing Agreement providing for modification of the amount of Basic Payments to provide for a new amount of Basic Payments sufficient to pay principal of and interest on all Bonds then Outstanding under the Trust Agreement.

SECTION THREE: MISCELLANEOUS

ALBEMARLE COUNTY

The County is located in north central Virginia, approximately 70 miles west of Richmond and 110 miles southwest of Washington, D.C. The County encompasses approximately 726 square miles, with the developed area accounting for about one-third of the land area. According to 2022 estimates by the Weldon Cooper Center for Public Service, the County had an estimated population of 115,495.

The County Board is the governing body of the County. The County Board comprises six members, each elected for four-year terms. The County Board selects from its members a Chair and a Vice-Chair for one-year terms.

The County adopted the County Executive form of government and organization in 1933. Under this form of government, the County Board is the policy-making body of the County. The County Board's administrative responsibilities relate generally to overseeing the implementation and administration of policies through an appointed County Executive who is the chief executive officer. All departments directly responsible to the County Board report to the County Executive, and he acts as the County Board's liaison to all other departments and agencies. He serves at the pleasure of the County Board, carries out its policies and directs business procedures.

Appendix C contains additional financial and demographic information concerning the County. The County's audited financial statements for the Fiscal Year ended June 30, 2022, are contained in Appendix D. The County's outside auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report or the financial information contained in this Official Statement.

BONDHOLDERS' RISKS

The purchase of the Series 2023 Bonds involves a degree of risk; therefore, prospective purchasers of the Series 2023 Bonds should review this Official Statement in its entirety in order to identify risk factors and make an informed investment decision. A number of factors, including those set forth below, may affect the County's ability or willingness to make timely payments sufficient for the Trustee to pay debt service on the Series 2023 Bonds:

(1) Source of Payments. The Series 2023 Bonds are not general obligations of the Authority or the County but are payable only from revenues received by the Trustee on behalf of the Authority from payments made by the County under the Financing Agreement and other moneys held by the Trustee and pledged to the payment of the Series 2023 Bonds. The ability of the Authority to make timely payments of principal and premium, if any, and interest on the Series 2023 Bonds depends solely on the ability of the County to make timely payments under the Financing Agreement. **No other collateral security has been established for the Series 2023 Bonds**. The undertaking by the County to make payments under the Financing Agreement is subject to and dependent upon amounts being lawfully appropriated from time to time by the County Board for such purpose. The undertaking by the County to make payments under the Financing Agreement is neither a debt of the County within the meaning of any constitutional or statutory limitation nor a pledge of the faith and credit or the taxing power of the County. **The County Board is not legally obligated to appropriate the funds necessary to meet the County's financial undertaking pursuant to the Financing Agreement.**

(2) Non-Appropriation and Limited Remedies. The County Executive or other officer charged with the responsibility for preparing the County's annual budget is required to include in the proposed County budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of the Financing Agreement, the County Executive or other officer charged with the responsibility for preparing the County's annual budget is required to deliver to the Trustee and the Authority within 10 days after the adoption of the annual budget for each Fiscal Year, but not later than 10 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Basic Payments and estimated Additional Payments which will come due during such Fiscal Year has been appropriated by the County Board in the adopted annual budget. If any adopted annual budget does not include an appropriation of funds sufficient to pay both

Basic Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the County Executive will request the County Board to take a roll call vote immediately after adoption of such annual budget acknowledging the impact of its failure to appropriate such funds. If, by 15 days after the beginning of the Fiscal Year, the County Board has not appropriated funds for the payment of both Basic Payments and estimated Additional Payments coming due for the then current Fiscal Year, the County Executive or other officer charged with the responsibility for preparing the County's annual budget is required to give written notice to the County Board of the consequences of such failure to appropriate and to request the County Board to consider a supplemental appropriation for such purposes.

In the event of non-appropriation of funds by the County Board, neither the County nor the Authority may be held liable for the principal of and premium, if any, and interest payments on the Series 2023 Bonds following the last Fiscal Year in which funds to make payment under the Financing Agreement were appropriated by the County Board. In the event of non-appropriation, moneys already on deposit in the Bond Fund will be used for the payment of principal of and premium, if any, and interest payments on all Bonds then Outstanding, but such moneys may not be sufficient to pay the Series 2023 Bonds in full.

Upon an Event of Default under the Trust Agreement, the Trustee has no right to accelerate the payment of the Series 2023 Bonds by declaring the entire principal of and interest on the Series 2023 Bonds to be due and payable. Similarly, upon an Event of Default under the Financing Agreement, the Authority has no right to accelerate the payment of Basic Payments by declaring the Basic Payments to be due and payable.

(3) Political Risk. The current County Board has evidenced in the Bond Resolution a present intent to make future appropriations of such funds as may be necessary to make payments due under the Financing Agreement as and when such payments become due. There can be no guarantee, however, that the County Board will retain its current constituency in the future, and there can be no guarantee that a future County Board will continue the current County Board's policy with respect to the Series 2023 Bonds.

(4) Limitation on Enforceability of Remedies. The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Trust Agreement and the Financing Agreement. Any attempt by the Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under current law, certain of the legal and equitable remedies specified in the Trust Agreement and the Financing Agreement may not be readily available or may not be enforced to the extent such remedy may contravene public policy.

(5) Project Cost Overruns. As a result of any change orders with respect to design and material costs of the Series 2023 Projects, the total expenditures actually incurred by the County may be in excess of the amount of available Series 2023 Bond proceeds. Any such additional costs of acquiring, constructing and equipping the Series 2023 Projects are not expected to materially impact the County's ability to complete the Series 2023 Projects.

(6) Taxation of Interest on the Series 2023A Bonds. The opinion of Bond Counsel as described in the section "TAX MATTERS – Series 2023A Bonds" will state that, under the conditions set forth therein, interest on the Series 2023A Bonds is not included in gross income for federal income tax purposes. Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is neither a guarantee of a result nor binding on the Internal Revenue Service (the "IRS") or the courts.

RATINGS

Fitch Ratings ("Fitch"), One State Street Plaza, New York, New York 10004, has assigned a rating of "AA+" to the Series 2023 Bonds; Moody's Investors Service, Inc. ("Moody's"), 7 World Trade Center, 250 Greenwich Street, New York, New York, has assigned a rating of "Aa1" to the Series 2023 Bonds; and S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. ("S&P"), 55 Water Street, New York, New York, has assigned a rating of "AA+" to the Series 2023 Bonds. Such ratings reflect only the respective views of such rating agencies.

The Authority and the County furnished to such rating agencies the information contained in this Official Statement and certain publicly available materials and information about the Authority and the County. Generally, rating agencies base their ratings on such materials and information, as well as their own investigations, studies and assumptions. There is no assurance that a rating will continue for any given period of time or that such rating will not be revised, suspended or withdrawn if, in the judgment of the applicable rating agency, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Series 2023 Bonds.

Due to the ongoing uncertainty regarding the economy of the United States of America and the political uncertainty regarding the debt limit of the United States, obligations issued by state and local governments, such as the Series 2023 Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity and market value of outstanding debt obligations issued by state and local governments, including the Series 2023 Bonds.

BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS

The Act provides that bonds issued pursuant thereto shall be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees and guardians and for all public funds of the Commonwealth or other political corporations or subdivisions of the Commonwealth. No representation is made as to the eligibility of the Series 2023 Bonds for investment or any other purchase under any law of any other state. The Act also provides that bonds, such as the Series 2023 Bonds, issued pursuant thereto may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

LITIGATION

To the knowledge of the Authority and the County, there is no litigation of any kind now pending or threatened to restrain or enjoin the issuance or delivery of the Series 2023 Bonds, in any manner questioning the proceedings and authority under which the Series 2023 Bonds are being issued, or affecting the power and authority of the Authority, the County or the County Board to execute or perform their obligations under the Financing Agreement or the Trust Agreement or to make payments due under the Financing Agreement. In addition, to the knowledge of the County, there is no litigation presently pending or threatened against the County that, in the event of an unfavorable decision, would have a material adverse effect upon the financial condition of the County.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2023 Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the County upon delivery of the Series 2023 Bonds, in substantially the form set forth as Appendix E (the "Bond Opinion"). The Bond Opinion will be limited to matters relating to the authorization and validity of the Series 2023 Bonds and to the tax status of interest thereon as described in the section "TAX MATTERS." The Bond Opinion will make no statement as to the financial resources of the County or the Authority or their ability to provide for payment of the Series 2023 Bonds or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Bonds.

Certain legal matters will be passed upon for the Authority by its counsel, St. John, Bowling & Lawrence, PLC, Charlottesville, Virginia, and for the County by Steven Rosenberg, Esquire, County Attorney.

TAX MATTERS

Series 2023A Bonds

Opinion of Bond Counsel. In the opinion of Bond Counsel, under current law, interest on the Series 2023A Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the "Code")) for the alternative minimum tax imposed on such corporations, and (d) is exempt from income taxation by the Commonwealth. No other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Series 2023A Bonds.

Bond Counsel's opinion is given in reliance upon certifications by representatives of the Authority and the County as to certain facts relevant to both the opinion and requirements of the Code, and is subject to the condition that there is compliance subsequent to the issuance of the Series 2023A Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The Authority and the County have covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2023A Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2023A Bonds. Failure by the Authority or the County to comply with such covenants, among other things, could cause interest on the Series 2023A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The Authority and the County may in their discretion, but have not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Series 2023A Bonds remain excludable from gross income for federal income tax purposes.

Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is neither a guarantee of a result nor binding on the IRS or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, conditions, limitations and exclusions that are part of the conclusions therein. *See "Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions," 63 Bus. Law. 1277 (2008), and "Legal Opinion Principles," 53 Bus. Law. 831 (May 1998), updated by "Statement of Opinion Practices," 74 Bus. Law. 801, 807 (2019).* Purchasers of the Series 2023A Bonds should seek the advice of counsel concerning such matters as they deem prudent in connection with their purchase of Series 2023A Bonds.

Alternative Minimum Tax

Individuals – Bond Counsel's opinion states that under current law interest on the Series 2023A Bonds is not an item of preference and is not subject to the alternative minimum tax on individuals.

Applicable Corporations – Bond Counsel's opinion also states that under current law interest on the Series 2023A Bonds is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. Under current law, an "applicable corporation" generally is a corporation with average annual adjusted financial statement income for a three-taxable-year period ending after December 31, 2021, that exceeds $1 billion.

Original Issue Premium. Series 2023A Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a Series 2023A Bond must be reduced by the amount of premium that accrues while such Series 2023A Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2023A Bonds while so held. Purchasers of such Series 2023A Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Series 2023A Bonds.

Other Tax Matters. In addition to the matters addressed above, prospective purchasers of the Series 2023A Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2023A Bonds should consult their tax advisors as to the applicability and impact of such consequences.

The IRS has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Series 2023A Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer, and the owners of the Series 2023A Bonds will have only limited rights, if any, to participate.

Prospective purchasers of the Series 2023A Bonds should consult their own tax advisors as to the status of interest on the Series 2023A Bonds under the tax laws of any state other than the Commonwealth.

There are many events that could affect the value, liquidity and/or marketability of the Series 2023A Bonds after their issuance, including but not limited to public knowledge of an audit of the Series 2023A Bonds by the IRS, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of current law. In addition, certain tax considerations relevant to owners of Series 2023A Bonds who purchase Series 2023A Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations, and purchasers of the Series 2023A Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2023A Bonds.

Series 2023B Notes

Opinion of Bond Counsel. In the opinion of Bond Counsel, interest on the Series 2023B Notes will not be excludable from gross income for federal income tax purposes, and, under current law, interest on the Series 2023B Notes will be exempt from income taxation by the Commonwealth of Virginia.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, conditions, limitations and exclusions that are a part of the conclusions therein. *See "Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions," 63 Bus. Law. 1277 (2008), and "Legal Opinion Principles," 53 Bus. Law. 831 (May 1998).* Purchasers of the Series 2023B Notes should seek the advice of counsel concerning such matters as they deem prudent in connection with their purchase of Series 2023B Notes.

Tax Consequences Generally. The following is a discussion of material United States federal income tax matters regarding the purchase, ownership and disposition of the Series 2023B Notes. This summary is based on the Code and existing and proposed Treasury Regulations, revenue rulings, administrative interpretations and judicial decisions, all as currently in effect and all of which are subject to change, possibly with retroactive effect, and subject to different interpretations. Except as specifically set forth in this subsection, this summary deals only with Series 2023B Notes purchased by a United States holder, as defined below, at original issuance, at par, and held as capital assets within the meaning of Section 1221 of the Code. It does not discuss all of the tax consequences that may be relevant to such a holder in light of their particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, regulated investment companies or real estate investment trusts, dealers or brokers in securities or foreign currencies, traders in securities that elect the mark-to-market accounting method, persons holding the Series 2023B Notes as part of a hedging transaction, "straddle," conversion transaction, or other integrated transaction, or United States holders whose functional currency, as defined in Section 985 of the Code, is not the United States dollar. This discussion does not address United States estate tax consequences of holding the Series 2023B Notes and, except as specifically described, does not address either tax consequences to pension plans or foreign investors or any aspect of state or local taxation with respect to the Series 2023B Notes. Persons considering the purchase of the Series 2023B Notes should consult with their own tax advisors concerning the application of the United States federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign jurisdiction. The Bond Opinion will not address such matters.

If a partnership or other entity classified as a partnership for United States federal income tax purposes holds Series 2023B Notes, the tax treatment of the partnership and each partner generally will depend on the activities of the partnership and the status of the partner. Partnerships acquiring Series 2023B Notes, and partners in such partnerships, should consult their tax advisors.

United States Holder. As used in the sections below, the term "United States holder" means a beneficial owner of a Series 2023B Note that is for United States federal income tax purposes (a) an individual citizen or resident of the United States, (b) a corporation (including an entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate, the income of which is includable in gross income for United States federal income tax purposes, regardless of its source, or (d) a trust if (i) a court within the United States can exercise primary supervision over the administration of such trust and one or more United States persons have the authority to control all substantial decisions of such trust or (ii) the trust has in effect a valid election to be treated as a domestic trust for United States federal income tax purposes. Further, as described below, a non-United States holder is any holder of a Series 2023B Note that is not a United States holder.

THE DISCUSSION OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2023B NOTES IS NOT INTENDED TO BE, AND SHOULD NOT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR PERSON. ACCORDINGLY, ALL PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX CONSEQUENCES RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2023B NOTES BASED ON THEIR PARTICULAR CIRCUMSTANCES.

Taxation of Interest. Subject to the discussion in “Original Issue Discount” below, interest payable on a Series 2023B Note generally will be taxable to a United States holder as ordinary interest income at the time it accrues or is received, in accordance with the United States holder’s method of tax accounting. In addition, United States holders that are individuals, estates or trusts generally will be required to pay a 3.8% Medicare tax on their net investment income (including interest from the Series 2023B Notes), or in the case of estates and trusts, on their net income that is not distributed, in each case to the extent that their total adjusted gross income exceeds applicable thresholds.

Sale, Exchange or Retirement of the Series 2023B Notes. Upon the sale, retirement or other taxable disposition of a Series 2023B Note, a United States holder generally will recognize taxable gain or loss equal to the difference between the amount realized on the sale, retirement or other taxable disposition (other than amounts representing accrued and unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in gross income) and the United States holder’s adjusted tax basis in the Series 2023B Note. In general, a United States holder’s adjusted tax basis in a Series 2023B Note will equal the cost of the Series 2023B Note to that holder, increased by the amount of any earned, but as yet unpaid, interest previously included in income by such holder with respect to the Series 2023B Note and reduced by any principal payments received by the holder.

Gain or loss recognized on the sale, exchange or retirement of a Series 2023B Note generally will be capital gain or loss and generally will be long-term capital gain or loss if at the time of sale, exchange or retirement the Series 2023B Note has been held for more than one year. The deductibility of capital losses is subject to certain limitations. In addition, net investment income for purposes of the 3.8% Medicare tax described above will include gains from the sale or other disposition of the Series 2023B Notes. Prospective investors should consult their own tax advisor concerning these tax law provisions.

Defeasance or material modification of the terms of any Series 2023B Note may result in a deemed reissuance thereof, in which event a beneficial owner of the defeased Series 2023B Note generally will recognize taxable gain or loss equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and the beneficial owner’s adjusted tax basis in the Series 2023B Note. Prospective purchasers of the Series 2023B Notes are urged to consult their tax advisors regarding the foregoing matters.

Original Issue Discount. “Original issue discount” will arise for United States federal income tax purposes in respect of any Series 2023B Note if its stated redemption price at maturity exceeds its issue price by more than a de minimis amount (as determined for tax purposes). The stated redemption price at maturity of a Series 2023B Note is the sum of all scheduled amounts payable on such Series 2023B Note other than qualified stated interest. United States holders of Series 2023B Notes generally will be required to include any original issue discount in income for United States federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, United States holders of Series 2023B Notes issued with original issue discount generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Taxation of Tax-Exempt Investors. Special considerations apply to employee benefit plans and other investors (“Tax-Exempt Investors”) that are subject to tax only on their unrelated business taxable income (“UBTI”). A Tax-Exempt Investor’s income from the Series 2023B Notes is not expected to be treated as UBTI under current law, so long as such Tax-Exempt Investor's acquisition of such Series 2023B Notes is not debt-financed. Tax-Exempt Investors should consult with their own tax advisors concerning these special considerations.

In addition, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between an employee benefit plan under ERISA or tax-qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. The investment of the assets of the Plans also must satisfy the standards of fiduciary conduct prescribed by ERISA, e.g., prudence and diversification. All fiduciaries of Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2023B Notes.

Non-United States Holders. The following applies to a holder if the holder is a beneficial owner of a Series 2023B Note and is not a United States holder or a United States partnership (or entity treated as a partnership for United States federal income tax purposes) (hereinafter a "non-United States holder"). Special rules which will not be addressed herein may apply if a non-United States holder is a "controlled foreign corporation" or a "passive foreign investment company" for United States federal income tax purposes. If a non-United States holder is such an entity, the non-United States holder should consult its tax advisor to determine the tax consequences that may be relevant to the non-United States holder.

Subject to the discussion below under "Foreign Account Tax Compliance Act," all payments on a Series 2023B Note made to a non-United States holder and any gain realized on a sale, exchange, or other disposition of a Series 2023B Note will be exempt from United States federal income and withholding tax, provided that:

- the non-United States holder does not own, actually or constructively, 10% or more of the County's outstanding capital or profit interests within the meaning of the Code and the Treasury regulations;

- the non-United States holder is not a controlled foreign corporation related, directly or indirectly, to the County through stock ownership;

- the non-United States holder is not a bank whose receipt of interest on the Series 2023B Note is described in Section 881(c)(3)(A) of the Code;

- the non-United States holder has fulfilled the certification requirement described below;

- such payments are not effectively connected with the conduct by the non-United States holder of a trade or business in the United States or, if required by an applicable income tax treaty, the gain is not attributable to a permanent establishment maintained by the non-United States holder in the United States; and

- in the case of gain realized on the sale, exchange, or other disposition of a Series 2023B Note, if the non-United States holder is a nonresident alien individual, the non-United States holder is not present in the United States for 183 or more days in the taxable year of the disposition where certain other conditions are met.

The certification requirement referred to above will be fulfilled if the non-United States holder provides its name and address to the Trustee on IRS Form W-8BEN or W-8BEN-E, as applicable (or an acceptable substitute), and certifies, under penalties of perjury, that the holder is not a United States person. Prospective investors should consult their tax advisors regarding possible additional reporting requirements.

If the non-United States holder of a Series 2023B Note is engaged in the conduct of a trade or business in the United States, and if payments on a Series 2023B Note, or gain realized on its sale, retirement or other taxable disposition of the Series 2023B Notes are effectively connected with the conduct of such trade or business, or are attributable to a permanent establishment maintained by the non-United States holder in the United States under any applicable tax treaty, the non-United States holder will generally be taxed in the same manner as a United States holder (see "United States Holders" above), except that the non-United States holder will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding tax and such holder, if treated as a corporation for U.S. federal income tax purposes, may be subject to an additional, up to 30% (or lower applicable treaty rate), branch profits tax.

FATCA (as defined below) could impose United States withholding tax (at a rate of 30%) on payments of interest in respect of the Series 2023B Notes to a non-United States holder that does not comply with certain disclosure requirements related to the non-United States holder. *See the "Foreign Account Tax Compliance Act" discussion below.*

Non-United States holders should consult their tax advisors with respect to other tax consequences of the ownership of the Series 2023B Notes.

Information Reporting and Backup Withholding. Information returns may be filed with the IRS in connection with payments on the Series 2023B Notes and the proceeds from a sale, exchange, or other disposition of the Series 2023B Notes. Holders may receive statements containing the information reflected on these returns. If the holder is a United States holder, the holder may be subject to United States backup withholding tax (currently at a rate of 24%) on these payments if it fails to provide its taxpayer identification number to the paying agent and comply with certification procedures or otherwise establish an exemption from backup withholding. If the holder is not a United States holder, it may be subject to United States backup withholding tax on these payments unless the holder complies with certification procedures to establish that the holder is not a United States person. The certification procedures required of the holder to claim the exemption from withholding tax on certain payments on the Series 2023B Notes described above will satisfy the certification requirements necessary to avoid the backup withholding tax as well.

The amount of any backup withholding made from a payment will be allowable as a credit against the holder's United States federal income tax liability and may entitle the holder to a refund, provided that the holder timely furnishes the required information to the IRS. United States holders should consult their tax advisors regarding the application of information reporting and backup withholding rules in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if applicable.

Foreign Account Tax Compliance Act. Recent legislation and IRS guidance concerning foreign account tax compliance rules ("FATCA") impose United States withholding tax on interest paid to certain foreign financial institutions and non-financial foreign entities if certain certification requirements related to United States accounts or ownership are not satisfied. A foreign financial institution or non-financial foreign entity can meet the certification requirements by providing a properly executed IRS Form W-8BEN-E or IRS Form W-8ECI, as applicable. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. While FATCA withholding would have originally been required on certain payments of gross proceeds from the sale or other disposition of a note, proposed Treasury Regulations provide that withholding is not required on such payments of gross proceeds (other than amounts treated as interest). Taxpayers may rely generally on these proposed U.S. Treasury Regulations until they are revoked or final U.S. Treasury Regulations are issued. No additional amounts will be paid in respect of any such withholding. Non-United States holders and those holding through foreign accounts should consult their tax advisors with respect to FATCA withholding on the Series 2023B Notes.

Certain State and Local Tax Consequences. In addition to the United States federal income tax consequences described above, prospective investors should consider the potential state and local tax consequences of an investment in the Series 2023B Notes. State income tax law may vary substantially from state to state, and this discussion does not purport to describe any aspect of the income tax laws of any state or locality, except with respect to the exemption from income taxation by the Commonwealth of Virginia, as explicitly set forth above in "Opinion of Bond Counsel." Therefore, potential purchasers should consult their own tax advisors with respect to the various state and local tax consequences of an investment in the Series 2023B Notes.

Other Tax Considerations. The Bond Opinion represents Bond Counsel's legal judgment based in part upon the representations and covenants referenced therein and its review of existing law, but is neither a guarantee of a result nor binding on the IRS or the courts. Bond Counsel assumes no duty to update or supplement the Bond Opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date thereof or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

There are many events that could affect the value, liquidity and/or marketability of the Series 2023B Notes after their issuance, including but not limited to a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of

Series 2023B Notes who purchase Series 2023B Notes after their issuance may be different from those relevant to purchasers upon issuance. Neither the Bond Opinion nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations, and purchasers of the Series 2023B Notes should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2023B Notes.

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, serves as financial advisor to the County and has no underwriting responsibility to the Authority or the County with respect to this transaction. As financial advisor, Davenport & Company LLC has advised the County in matters relating to the planning, structuring and issuance of the Series 2023 Bonds, assisted the County with the preparation of this Official Statement and provided to the County other advice with respect to the issuance and sale of the Series 2023 Bonds. The financial advisor's fee will be paid from legally available funds of the County. Although the Financial Advisor has assisted in the preparation of the Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

SALE AT COMPETITIVE BIDDING

After competitive bidding on October 26, 2023, the Series 2023A Bonds were awarded to TD Securities (USA) LLC (the "2023A Underwriter"). The 2023A Underwriter has supplied the information as to the yields on the Series 2023A Bonds set forth on the inside cover page hereof. If all of the Series 2023A Bonds are resold to the public at such yields, the 2023A Underwriter has informed the Authority and the County that it anticipates a total underwriting compensation of $388,561.13 (0.355483% of the aggregate principal amount). The 2023A Underwriter may change the yields from time to time.

After competitive bidding on October 26, 2023, the Series 2023B Notes were awarded to Raymond James & Associates, Inc. (the "2023B Underwriter"). The 2023B Underwriter has supplied the information as to the yield on the Series 2023B Notes set forth on the inside cover page hereof. If all of the Series 2023B Notes are resold to the public at such yield, the 2023B Underwriter has informed the Authority and the County that it anticipates a total underwriting compensation of $469,034.50 (0.797000% of the aggregate principal amount). The 2023B Underwriter may change the yield from time to time.

CONTINUING DISCLOSURE

To permit compliance by the underwriter with the continuing disclosure requirements of the Rule, the County will execute a Continuing Disclosure Agreement (the "CDA") at closing agreeing to provide certain annual financial information and material event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.msrb.org. As described in Appendix F, the CDA requires the County to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Series 2023 Bonds at any particular time. The County may from time to time disclose certain information and data in addition to that required by the CDA. If the County chooses to provide any additional information, the County will have no obligation to continue to update such information or to include it in any future disclosure filing. In the previous five years, the County has not failed to comply in all material respects with any of its previous continuing disclosure undertakings pursuant to the Rule.

Failure by the County to comply with the CDA is not an event of default under the Series 2023 Bonds or the Bond Resolution. The sole remedy for a default under the CDA is to bring an action for specific performance of the County's covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

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MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not representations of fact. No representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2023 Bonds.

The attached Appendices are an integral part of this Official Statement and must be read together with the balance of this Official Statement.

The execution of this Official Statement has been duly authorized by the Authority and duly approved by the County. The Authority and the County have deemed this Official Statement "final" as of its date within the meaning of the Rule.

ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA

By *___/s/ Donald D. Long___*
Donald D. Long, Chair

Approved:

COUNTY OF ALBEMARLE, VIRGINIA

By: *___/s/ Jeffrey B. Richardson___*
Jeffrey B. Richardson, County Executive

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

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DEFINITIONS OF CERTAIN TERMS

"Account" means any of the various Accounts created within a Fund under the Trust Agreement.

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended.

"Additional Bonds" means any Bonds issued pursuant to the Trust Agreement and secured on an equal and ratable basis with (1) the Series 2015B Bonds, (2) the Series 2017 Bonds, (3) the Series 2021A Bonds, (4) the Series 2021B Bonds, (5) the Series 2022 Bonds, (6) the Series 2023A Bonds, (7) the Series 2023B Notes and (8) any other Outstanding Bonds.

"Additional Payments" means payments made by the County pursuant to the Financing Agreement other than Basic Payments.

"Authorized Authority Representative" means any officer of the Authority.

"Authorized County Representative" means the County Executive and such other person or persons as may be designated to act on behalf of the County by a certificate executed by the County Executive and on file with the Trustee.

"Basic Payments" means the payments payable by the County under the Financing Agreement which payments are calculated to correspond in amount to the payments of principal and interest due on the Bonds.

"Bond" or "Bonds" means, collectively, the (1) the Series 2015B Bonds, (2) the Series 2017 Bonds, (3) the Series 2021A Bonds, (4) the Series 2021B Bonds, (5) the Series 2022 Bonds, (6) the Series 2023A Bonds, (7) the Series 2023B Notes and (8) any additional bonds, notes or other obligations, including any notes or other obligations issued in anticipation of bonds, notes, or other obligations as the same shall be issued from time to time pursuant to the Master Trust Agreement.

"Bond Counsel" means an attorney or a firm of attorneys nationally recognized on the subject of municipal bonds and reasonably acceptable to the Trustee.

"Bond Fund" means the Bond Fund established in the Master Trust Agreement.

"Bond Payment Date" means the date on which any payment of principal of (whether at maturity or pursuant to mandatory sinking fund redemption) or interest on any Bond is scheduled to become due and payable.

"Business Day" means a day on which banking business is transacted, but not including Saturday, Sunday or legal holiday, or any day on which banking institutions are authorized by law to close in the city in which the Trustee has its designated corporate trust office.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated or applicable thereunder.

"Cost" or **"Cost of a Project"** includes the cost of improvements, the cost of construction or reconstruction, the cost of acquisition of all lands, structures, rights-of-way, franchises, easements and other property rights and interests, the cost of demolishing, removing or relocating any buildings or structures on lands acquired, including the cost of acquiring any lands to which such buildings or structures may be moved or relocated, the cost of all labor, materials, machinery and equipment, financing charges and interest on any Series of Bonds prior to and during construction and for up to one year after completion of construction, the cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, and other expenses necessary or incident to determining the feasibility or practicability of constructing a Project, administrative expenses, provisions for working capital, reserves for interest and for extensions, additions and improvements, such other expenses as may be necessary or incidental to the construction of a Project, the financing of such construction, and the placing of a

Project in operation, the costs of issuing Bonds and all other costs as are permitted by the Act. Any obligation or expense incurred by the County for studies, surveys, borings, preparation of plans and specifications or other work or materials in connection with the construction of a Project may be regarded as a part of such Cost and reimbursed to the County out of the proceeds of the Bonds issued to finance a Project.

"Debt Service Reserve Fund" shall mean the Debt Service Reserve Fund established under the Master Trust Agreement.

"Fiscal Year" means the twelve-month period beginning on July 1 of one year end and ending on June 30 of the following year, or such other twelve-month period as may be selected by the County as its fiscal year.

"Fund" means the Bond Fund, Debt Service Reserve Fund, Project Fund or any other fund established under the Master Trust Agreement.

"Government Certificates" means certificates representing proportionate ownership of Government Obligations, which Government Obligations are held by a bank or trust company organized under the laws of the United States of America or any of its states in the capacity of custodian of such certificates.

"Government Obligations" means (a) bonds, notes and other direct obligations of the United States of America, (b) securities unconditionally guaranteed as to the timely payment of principal, if applicable, and interest by the United States of America or (c) bonds, notes and other obligations issued or guaranteed as to the timely payment of principal and interest by the Rural Utilities Service (certificates of beneficial ownership), Federal Housing Administration (debentures), General Services Administration (participation certificates), U.S. Maritime Administration (guaranteed Title XI financing), U.S. Department of Housing and Urban Development (project notes and local authority bonds), provided such obligations are backed by the full faith and credit of the United States of America. Stripped securities are permitted only if stripped by the agency itself. Government Obligations may be held directly by the Trustee or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to Government Obligations.

"Interest Account" means the Interest Account in the Bond Fund established in the Master Trust Agreement.

"Opinion of Counsel" means an opinion of any attorney or firm of attorneys reasonably acceptable to the Trustee, who may be counsel for the Authority, the County or the Trustee but who shall not be a full-time employee of the Authority, the County or the Trustee.

"Outstanding" means, when used as descriptive of Bonds, that such Bonds have been authorized, issued, authenticated and delivered under the Master Trust Agreement and have not been canceled or surrendered to the Trustee for cancellation, deemed to have been paid as provided in Master Trust Agreement, have had other Bonds issued in exchange therefor or had their principal become due and moneys sufficient for their payment deposited with the Trustee as provided in the Master Trust Agreement.

In determining whether holders of a requisite aggregate principal amount of the Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the Master Trust Agreement, words referring to or connoting "principal of" or "principal amount of" Outstanding Bonds shall be deemed also to be references to, to connote and to include the accreted value of Bonds of any Series as of the immediately preceding interest compounding date for such Bonds. Bonds that are owned by the County shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

"Premium Account(s)" means the Premium Account(s) in the Bond Fund established in the Master Trust Agreement.

"Principal Account(s)" means the Principal Account(s) in the Bond Fund established in the Master Trust Agreement.

“Project” or “Projects” means, individually or collectively, any project (including the Series 2023 Projects) undertaken by the Authority, with the County’s consent, from time to time and identified in a Supplemental Financing Agreement, including without limitation, the financing or refinancing of the acquisition, construction, improvement or equipping of infrastructure, public facilities and other improvements and facilities permitted to be undertaken pursuant to the provisions of the Act, including any extensions, additions, replacements, equipment and appurtenances to or for the benefit of such public facilities.

“Project Fund” means the Project Fund established in the Master Trust Agreement.

“Series” or “Series of Bonds” means a separate series of Bonds issued under the Master Trust Agreement and a Supplemental Trust Agreement. The Series 2023A Bonds and the Series 2023B Notes comprise the ninth and tenth Series of Bonds issued under the Master Trust Agreement.

“Series 2015B Bonds” means the Authority’s $38,880,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2015B.

“Series 2017 Bonds” means the Authority’s $22,240,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2017.

“Series 2021A Bonds” means the Authority’s $66,710,000 Public Facility Revenue and Refunding Bonds (Albemarle County Projects), Series 2021A (Federally Tax-Exempt).

“Series 2021B Bonds” means the Authority’s $8,235,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2021B (Federally Taxable).

“Series 2022 Bonds” means the Authority’s $16,920,000 Public Facility Revenue Refunding Bonds (Albemarle County Projects), Series 2022.

“Series Debt Service Reserve Account” means any of the Series Debt Service Reserve Accounts in the Debt Service Reserve Fund established in the Master Trust Agreement. No Series Debt Service Reserve Account will be established for the Series 2023A Bonds or the Series 2023B Notes.

“Series Debt Service Reserve Requirement” for any Series of Bonds shall have the meaning set forth in the Supplemental Trust Agreement authorizing such Series of Bonds. There is no Series Debt Service Reserve Requirement for the Series 2023A Bonds or the Series 2023B Notes.

“Supplemental Trust Agreement” means any Supplemental Trust Agreement supplementing, amending or modifying the provisions of the Master Trust Agreement entered into by the Authority and the Trustee pursuant to the provisions of the Master Trust Agreement, including, but not limited to, the Eighth Supplemental Trust Agreement.

“Supplemental Financing Agreement” means any Supplemental Financing Agreement supplementing, amending or modifying the provisions of the Financing Agreement entered into by the Authority and the County pursuant to the provisions of the Master Trust Agreement, including, but not limited to, the Seventh Supplemental Financing Agreement.

“Term Bonds” means any Bonds stated to mature on a specified date and required to be redeemed in part prior to maturity according to a sinking fund schedule.

“Virginia Code” means the Code of Virginia of 1950, as amended.

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APPENDIX B

SUMMARY OF THE FINANCING DOCUMENTS

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SUMMARY OF THE FINANCING DOCUMENTS

Brief summaries of the Trust Agreement and the Financing Agreement are included in this Appendix. The summaries do not purport to be comprehensive or definitive and are qualified by references to such documents in their entirety. All capitalized terms used in this summary have the meaning set forth in the Official Statement and in Appendix A, unless otherwise indicated.

THE TRUST AGREEMENT

Establishment of Funds and Accounts. The following funds and accounts are established and utilized under the Trust Agreement:

(1) Project Fund, in which there is established the Series 2023A Project Account and the Series 2023B Project Account;

(2) Bond Fund, in which there are established a separate Interest Account, Principal Account and Premium Account and a separate subaccount in each such Account with respect to each Series of Bonds; and

(3) Debt Service Reserve Fund, in which there may be established a Series Debt Service Reserve Account for a particular Series. No such Series Account will be established for the Series 2023A Bonds or the Series 2023B Notes.

The Trust Agreement provides that separate Accounts and subaccounts will be established for each Series of Bonds issued under the Trust Agreement.

Series 2023 Project Accounts. The Trustee will use money in the Series 2023A Project Account to finance the Series 2023A Project, including related costs of issuance. The Trustee will use money in the Series 2023B Project Account to finance the Series 2023B Project, including related costs of issuance. The Trustee will make payments from the Series 2023 Project Accounts upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned. Any balance remaining in a Series 2023 Project Account after payment of the costs of the Series 2023 Projects will be used to pay principal of and interest on the related Series 2023 Bonds and to purchase related Series 2023 Bonds in the open market.

Bond Fund. The Trustee will deposit in the Bond Fund installments of all Basic Payments received by the Trustee from the County, together with other amounts transferred from the Project Fund and the Debt Service Reserve Fund (if funded) pursuant to the Financing Agreement or the Trust Agreement, that portion of any Additional Payments received by the Trustee from the County representing the amount of any redemption premium that may be payable, and any other payments transferred to the Authority or its assignee as directed by the County. The Trustee will deposit each installment and amount (a) to the applicable subaccount established in the Interest Account an amount equal to the interest due and payable on the next Bond Payment Date for the applicable Series of Bonds and (b) to the applicable subaccount established in the Principal Account an amount equal to the principal due and payable on the next Bond Payment Date for the applicable Series of Bonds, whether at maturity or pursuant to mandatory sinking fund redemption. The Trustee will deposit to the applicable subaccount established in the Premium Account any moneys received from the County to pay any premium due in connection with redeeming such Bonds pursuant to any optional redemption exercised by the Authority, at the direction of the County.

The Trustee will withdraw from the respective subaccounts within the Interest Account on each Bond Payment Date, amounts equal to the amounts of interest due with respect to the Bonds on such Bond Payment Date, and will cause the same to be applied to the payment of interest due on such Bond Payment Date. The Trustee will withdraw from the respective subaccounts within the Principal Account on each Bond Payment Date, amounts equal to the amounts of principal due with respect to the Bonds on such Bond Payment Date, and will cause the same to be applied to the payment of principal due on such Bond Payment Date. The Trustee will withdraw from the respective subaccounts within the Premium Account on each Bond Payment Date, amounts equal to the amounts of any premium due with respect to the Bonds on such Bond Payment Date, and will cause the same to be applied to the payment of any premium due on such Bond Payment Date.

In the event there are insufficient moneys in the Interest Account or the Principal Account on any Bond Payment Date to pay interest and principal due on such Bond Payment Date, the Trustee will transfer any excess amounts on deposit in the Interest Account or the Principal Account, as applicable, to the other Account in which there are insufficient moneys, being mindful of the provisos in the section ***"Parity of Bonds"*** below. The Trustee will pay from the Bond Fund when due the principal of and premium, if any, and interest on the Bonds then Outstanding and will redeem or purchase Bonds in accordance with the redemption provisions of the Bonds and the Trust Agreement.

The Trustee will provide for redemption of any Term Bonds from amounts upon deposit in the Bond Fund in accordance with the schedules set forth in the Supplemental Trust Agreement for such Bonds; provided, however, that on or before the 70th day next preceding any such sinking fund payment date, the Authority may:

(x) deliver to the Trustee for cancellation Term Bonds required to be redeemed on such sinking fund payment date in any aggregate principal amount desired; or

(y) instruct the Trustee to apply a credit against the Authority's next sinking fund redemption obligation for any such Term Bonds that previously have been redeemed (other than through the operation of the sinking fund) and canceled but not theretofore applied as a credit against any sinking fund redemption obligation.

Upon the occurrence of any of the events described in subsections (x) or (y) above, the Trustee shall credit against the Authority's sinking fund redemption obligation on the next sinking fund payment date the amount of such Term Bonds so delivered or previously redeemed. Any principal amount of such Term Bonds in excess of the principal amount required to be redeemed on such sinking fund payment date shall be similarly credited in such order as may be determined by the Authority against future payments to the Principal Account and shall similarly reduce the principal amount of the Term Bonds of the applicable Series to be redeemed on the applicable sinking fund payment date.

Debt Service Reserve Fund. The Master Trust Agreement provides for the establishment of a Debt Service Reserve Fund and, if funded, a separate Series Debt Service Reserve Account for particular Series of Bonds. No Series Debt Service Reserve Account will be established for the Series 2023A Bonds or the Series 2023B Notes.

Pledge of Payments and Funds. All payments received by the Trustee under the Trust Agreement (except certain payments to the Trustee for its fees and expenses) and all money in the Project Fund, the Bond Fund and the Debt Service Reserve Fund (if funded) are pledged to the payment of the principal of and premium, if any, and interest on the Bonds, subject only to the right of the Authority to apply them to other purposes as provided in the Trust Agreement. The lien and trust created by the Trust Agreement is for the equal and ratable benefit of the holders of the Bonds and any Additional Bonds that may be issued under the Trust Agreement; *provided* that moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds shall secure only such Bonds, moneys in any account or subaccount of the Project Fund relating to a particular Series of Bonds shall secure only such Bonds, and moneys in any account or subaccount of the Debt Service Reserve Fund relating to a particular Series of Bonds shall secure only such Bonds (unless otherwise provided in a Supplemental Trust Agreement).

Parity of Bonds. Each Series of Bonds will be issued pursuant to a Supplemental Trust Agreement and will be equally and ratably secured under the Trust Agreement, without preference, priority or distinction; *provided,* that, any lease agreement or financing lease relating to a particular Series of Bonds shall secure only such Bonds (unless otherwise provided in a Supplemental Trust Agreement), the moneys in an account of the Bond Fund, the Project Fund or the Debt Service Reserve Fund will secure only the applicable Series of Bonds to which such account relates, and, as to the Debt Service Reserve Fund, may also secure any additional Series of Bonds issued to refund the original Series of Bonds if and as provided in the respective Supplemental Trust Agreement; and *provided further,* that any Series of Bonds may have other security pledged to its payment. In connection with the issuance of each Series of Bonds, the Trustee may create additional accounts and subaccounts within any fund or account established by the Master Trust Agreement.

Investments; Valuation. Any money held under the Trust Agreement may be invested, as directed in writing by an Authorized County Representative, in obligations or securities that are permitted for the investment of public funds under the Investment of Public Funds Act (Chapter 45, Title 2.2 of the Virginia Code), the Government Non-Arbitrage Investment Act (Chapter 47, Title 2.2 of the Virginia Code), or any successor provisions of law applicable to such investments.

Any investments will be held by or under the control of the Trustee and while so held will be deemed a part of the fund in which such money was originally held. The earnings accruing on such investments, including any profit realized, will be credited to such funds, except as otherwise provided in the Trust Agreement, and any loss resulting from such investments will be charged to such funds. The Trustee will sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund is insufficient for its purposes.

In computing the amount in any Fund or Account created by this Agreement, except for the Debt Service Reserve Fund, obligations purchased as an investment of moneys therein will be valued at cost or fair market value thereof, whichever is lower, plus accrued interest. Investments in the Debt Service Reserve Fund (if funded) will be valued at least semiannually at the fair market value thereof, plus accrued interest. Such valuations for each such Fund or Account, other than the Debt Service Reserve Fund, will be made by the party holding each such Fund or Account at least annually not later than the end of each Fiscal Year and at such other times as an Authorized County Representative may direct.

Events of Default and Remedies. Each of the following is an "Event of Default" under the Trust Agreement: (1) default in the payment of interest on any Bond when due, (2) default in the payment of principal of or premium, if any, of any Bond when due, (3) default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under the Trust Agreement or the Bonds, subject to certain rights of the Authority to notice and an opportunity to cure, and (4) any event of default under the Financing Agreement.

Remedies; Rights of Bondholders. Upon the occurrence and continuation of an Event of Default, the Trustee may (and, if requested by the holders of not less than 25% in aggregate principal amount of Bonds Outstanding and if indemnified in accordance with prevailing industry standards, will) proceed to protect and enforce the rights of the holders of the Bonds by mandamus or other suit, action or proceeding at law or in equity, including an action for specific performance of any covenant or agreement contained in the Trust Agreement; *provided*, that the Trustee will have no right or authority to declare the entire unpaid principal of and interest on the Bonds due and payable. All remedies under the Trust Agreement are cumulative.

Other than the remedies described above, no holder of any Bond will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Trust Agreement, the execution of any of its trusts or any other remedy under it, unless (1) an Event of Default (as defined in the Trust Agreement) has occurred and is continuing and the Trustee has notice of it; (2) the holders of 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted by the Trust Agreement or to institute such action, suit or proceeding in its own name; (3) the Trustee has been indemnified as provided by the Trust Agreement; (4) the Trustee has failed or refused within a reasonable time to comply with such request; (5) no direction inconsistent with such request has been given to the Trustee by the holders of a majority in principal amount of Outstanding Bonds; and (6) notice of such action, suit or proceeding is given to the Trustee. Notwithstanding any other provision to the contrary, the holders of a majority in aggregate principal amount of Bonds Outstanding, upon compliance with the Trust Agreement's requirements as to indemnification of the Trustee, will have the right to direct all proceedings to be taken by the Trustee.

Subject to limitations set forth in the Trust Agreement, the Trustee may in its discretion, waive any Event of Default under the Trust Agreement or any action taken pursuant to such Event of Default and will do so on the request of the holders of a majority in aggregate principal amount of Bonds then Outstanding. However, no waiver will extend to any subsequent or other default or impair any right resulting from it.

Discharge of Trust Agreement. A Bond will be deemed no longer Outstanding when any such Bond has been cancelled or surrendered for cancellation or purchased by the Authority from moneys in the Bond Fund or as to any Bond not so cancelled or purchased when (i) payment of the principal and the applicable premium, plus interest to the due date thereof shall have been made or caused to be made in accordance with the terms thereof, or (ii)(A) payment of the principal and applicable premium, plus interest on such Bond to the due date thereof shall have been provided by irrevocably depositing with the Trustee (1) moneys sufficient to make such payment, (2) noncallable Government Obligations maturing as to principal and interest in such amount and at such times as will ensure the availability of sufficient moneys to make such payment, or (3) a combination of both such moneys and noncallable Government Obligations and (B) payment of all necessary and proper fees, costs and expenses of the Trustee shall have been made. Notwithstanding the foregoing, the Bonds which are to be redeemed before their maturity will be deemed paid and no longer Outstanding only if such Bonds have been irrevocably called or designated for redemption.

Supplemental Agreements of Trust. Any provision of the Trust Agreement may be modified or altered by the Authority and the Trustee, by a Supplemental Trust Agreement, upon consent of the holders of a majority in aggregate principal amount of Bonds Outstanding; *provided*, that certain amendments relating to the payment of the Bonds may be made only with the consent of all holders of the applicable Bonds.

In addition, the Authority and the Trustee may enter into supplemental agreements of trust without the consent of holders of the Bonds (1) to cure any ambiguity, formal defect or omission in the Trust Agreement; (2) to grant to or confer upon the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders; (3) to modify, amend or supplement the Trust Agreement in such manner as required to permit its qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or any state securities (Blue Sky) law; (4) to add to the covenants and agreements of the Authority in the Trust Agreement other covenants and agreements to be observed by the Authority; (5) to modify the Trust Agreement as required to permit the Authority to comply with the provisions of the Code relating to the rebate requirement with respect to investment of proceeds of the Bonds, *provided* that such modification does not materially adversely affect the holders of all Bonds then Outstanding; (6) to modify the Trust Agreement in such manner as may be required to maintain any rating on any Bonds, *provided* that such amendment does not, in the opinion of the Trustee, materially adversely affect the holders of all Bonds then Outstanding; (7) to authorize the issuance of and secure one or more Series of Bonds; and (8) to modify the Trust Agreement in any manner that the Trustee concludes is not materially adverse to holders of all Bonds then Outstanding. The Authority and the Trustee may enter into certain other supplemental agreements of trust upon receiving the consent of certain percentages of holders of the Bonds. If such a Supplemental Trust Agreement will affect only one Series of Bonds, it may be necessary to seek only the consent of the holders of a majority in aggregate principal amount of that Series of Bonds.

THE FINANCING AGREEMENT

Agreement to Issue Series 2023 Bonds. In the Financing Agreement, the Authority agrees to issue the Series 2023 Bonds and loan the proceeds thereof to the County. The County agrees to make all Basic Payments and Additional Payments when and as the same shall become due and payable, subject to appropriation by the County Board.

Series 2023 Bonds. In order to provide funds for the Series 2023 Projects, the Authority will agree to issue the Series 2023 Bonds bearing interest, maturing and having the other terms and provisions set forth in the Eighth Supplemental Trust Agreement.

Payments Under Financing Agreement; Subject to Appropriation. Under the Financing Agreement the County has undertaken to pay to the Authority, or its assignee, the Basic Payments set forth in the Financing Agreement. The Basic Payments are calculated to be due in such amounts and at such times as will be sufficient to pay principal of and interest on the Bonds. The County will receive a credit against its obligation to make Basic Payments to the extent there are amounts on deposit in the Bond Fund; *provided* that such amounts have not been applied previously as a credit with respect to any Basic Payment. The County also has undertaken to make Additional Payments to cover any redemption premium that may be payable on the Bonds, the reasonable fees and expenses of the Trustee, and the expenses of the Authority.

The undertaking by the County to make Basic Payments and Additional Payments is subject to appropriations being made from time to time by the County Board for such purposes. In the Financing Agreement, the County Board has directed the County Executive or other officer charged with the responsibility for preparing the County's annual budget to include in the budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments during such Fiscal Year.

The County has the option to prepay Basic Payments at the times and amounts as necessary to exercise its option to cause the Bonds to be redeemed before maturity. Any applicable redemption premium would be paid as an Additional Payment.

Agreement to Issue Additional Bonds to Finance Additional Projects. In order to finance the costs of additional projects for the County, the Authority agrees that it will, from time to time, issue additional obligations under the Trust Agreement. Such additional projects will be financed solely from the proceeds of Bonds issued, at the request of the County, from time to time under the Trust Agreement. The obligation of the Authority to finance the costs of additional projects and to issue additional Series of Bonds will be conditioned upon compliance with the provisions of the Master Trust Agreement.

Events of Default. "Events of Default" under the Financing Agreement include (1) default in the due and punctual payment of a Basic Payment or an Additional Payment made to correct a deficiency in a Series Debt Service Reserve Account when the same becomes due and payable and continuation of such failure for a period of five days, or (2) failure of the County to pay when due any other payment due under the Financing Agreement (including that portion of Additional Payments allocable to any premium on the Bonds but excluding other portions of Additional Payments), or to observe and perform any covenant, condition or agreement, which failure shall continue for a period of 30 days after notice is given, with certain rights to cure as described in the Financing Agreement. Notwithstanding the foregoing, failure to make any payment due or to perform any covenant under the Financing Agreement which results from a failure of the County Board to appropriate moneys for such purposes will not constitute an Event of Default.

Remedies. If an Event of Default occurs, remedies available to the Authority are to take whatever action at law or in equity, other than to declare the entire unpaid principal balance of Basic Payments to be immediately due and payable, as may appear necessary or desirable to collect Basic Payments and Additional Payments then due or to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County. An event of non-appropriation is not an Event of Default. *See "BONDHOLDERS' RISKS -- Non-Appropriation and Limited Remedies."*

The Financing Agreement will be reinstated and any default waived upon certain conditions, including the payment of all arrears with respect to the Bonds.

Amendments. The Financing Agreement may be supplemented, amended or modified prior to the payment of all Outstanding Bonds, only with the consent of the Trustee, given in accordance with the Master Trust Agreement.

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APPENDIX C

COUNTY OF ALBEMARLE, VIRGINIA

THE INCLUSION OF THIS INFORMATION DOES NOT IMPLY THAT THE COUNTY OF ALBEMARLE, VIRGINIA, IS LEGALLY OBLIGATED TO MAKE PAYMENTS ON ANY BONDS OUTSTANDING UNDER THE TRUST AGREEMENT, INCLUDING THE SERIES 2023 BONDS.

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ALBEMARLE COUNTY, VIRGINIA

Introduction

Albemarle County, Virginia ("Albemarle County" or the "County"), is located in north central Virginia, approximately 70 miles west of Richmond and 110 miles southwest of Washington, D.C. The County encompasses approximately 726 square miles, with the developed area accounting for about one-third of the land area. According to 2022 estimates by the Weldon Cooper Center for Public Service, the County had an estimated population of 115,495.

Government

The County Board is the governing body of the County. The County Board is composed of six members, who are elected for four-year terms, staggered at two-year intervals. The County Board selects from its members a Chair and a Vice-Chair for one-year terms. Functions of the County Board include making land use decisions, establishing growth and development policies, setting operational policies, and reviewing and adopting the County's operational and capital budgets, which sets spending priorities. An integral part of the County Board's office is the Clerk to the County Board. The Clerk is responsible for maintaining all official records of the County Board and coordinating the operations of the County Board office.

The County adopted the County Executive form of government and organization in 1933. Under this form of government, the County Board is the policy-making body of the County. The County Board's administrative responsibilities relate generally to overseeing the implementation and administration of policies through an appointed County Executive, who is the chief executive officer. All departments directly responsible to the County Board report to the County Executive (excluding the Clerk to the County Board and the County Attorney's Office, each of which reports directly to the County Board), and he acts as the County Board's liaison to all other departments and agencies. He serves at the pleasure of the County Board, carries out its policies and directs business procedures.

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Principal Executive Officers

Official	Name	Term and Manner of Selection	Total Length of Service With County	Expiration of Current Term
Chair and County Board Member	Donna P. Price	4 Years (elected)	3 Years	December 31, 2023
Vice-Chair and County Board Member	Jim H. Andrews	4 years (elected)	1 year	December 31, 2025
County Board Member	Ned L. Gallaway	4 Years (elected)	11 Years	December 31, 2025
County Board Member	Bea LaPisto-Kirtley	4 years (elected)	3 Years	December 31, 2023
County Board Member	Ann H. Mallek	4 Years (elected)	15 Years	December 31, 2023
County Board Member	Diantha H. McKeel	4 Years (elected)	25 Years	December 31, 2025
County Executive	Jeffrey B. Richardson	Appointed by County Board	5 Years	Pleasure of County Board
Deputy County Executive	Trevor Henry	Employed by County Executive	10 Years	Pleasure of County Executive
County Attorney	Steven Rosenberg	Appointed by County Board	Less than 1 Year	Pleasure of County Board
Interim Chief Financial Officer	Jacob Sumner	Appointed by County Board	Less than 1 Year	Pleasure of County Board
Clerk of County Board	Claudette K. Borgersen	Appointed by County Board	6 Years	Pleasure of County Board
Superintendent of Schools	Dr. Matthew S. Haas	Appointed by School Board	17 Years	Pleasure of School Board

Source: Human Resources Department, Albemarle County, Virginia.
There is currently one vacancy in a Deputy County Executive position.

Certain County Administrative and Financial Staff Members

Jeffrey B. Richardson was appointed County Executive of the County effective October 30, 2017. Since his appointment, Mr. Richardson has been leading an organizational transformation through the establishment of the Office of Equity & Inclusion, the reconfiguration of the County's finance and budget functions, and a renewed focus on delivering high-quality customer service, virtually and in-person. Prior to joining the County, he served as County Manager in Cleveland County, North Carolina, for approximately four and a half years. Mr. Richardson also worked as Deputy City Manager for the City of Asheville, North Carolina, for 16 years. Mr. Richardson was involved in several large economic development projects while serving in Cleveland County, contributing to significant tax base and job growth. While in Asheville, he was involved in a number of important projects, one of which included oversight of a $20 million downtown urban park project (Pack Square Park) located in front of City Hall that included three separate water features, a terraced lawn, and an amphitheater, all situated over the 6.5-acre site. Mr. Richardson has an MPA from UNC Chapel Hill and a B.S. from UNC Asheville.

Trevor Henry was appointed Deputy County Executive effective June 18, 2022. As Deputy County Executive, Mr. Henry oversees the Departments of Police, Fire Rescue and Economic Development. He has been with Albemarle since 2009 and previously served as Assistant County Executive from 2018 to 2022. During his tenure with the County, Mr. Henry has led many organizational change efforts to improve services and efficiency. He is a former qualified nuclear engineer, U.S. Naval Submarine Officer. Mr. Henry holds a B.S. in Physics from Susquehanna University and is a graduate of the Weldon Cooper Center's Senior Executive Institute.

Steven Rosenberg was appointed County Attorney effective July 27, 2022. Mr. Rosenberg has over 30 years of experience, with 25 years of public service in local and state government. Prior to his appointment as County Attorney, Mr. Rosenberg served as the City Manager of Staunton, Virginia, after having served there as Deputy City Manager. Previously, Mr. Rosenberg held the positions of Associate General Counsel and Special Assistant Attorney General at the University of Virginia and County Attorney for Augusta County, Virginia. Mr. Rosenberg received a

Bachelor of Arts in History and Government from the College of William and Mary in 1987, and a Juris Doctor from Emory University School of Law in 1990.

Jacob Sumner was appointed Interim Chief Financial Officer for Albemarle County on May 8, 2023. Mr. Sumner has over fifteen years of local government financial management experience. Prior to his current appointment, Mr. Sumner served as the County's Assistant Chief Financial Officer for Policy and Partnerships. He previously served Hanover County, Virginia, as the Director of Finance & Management Services as well as the Accounting Division Director. He also held the position of Chief of Financial Management for Albemarle County before moving to Hanover County. Earlier in his career, he served in other financial management positions with the City of Norfolk's Finance Department and Norfolk Public Utilities. Mr. Sumner is a Certified Government Financial Manager and a Certified Management Accountant. He earned Master's Degrees in Accounting and Business Administration from Old Dominion University. Mr. Sumner currently serves as the Board Treasurer for Jaunt, Inc., a public transit company owned by the local governments it serves.

Dr. Matthew S. Haas was appointed as Superintendent for Albemarle County Public Schools effective June 30, 2018. Dr. Haas was born and raised in Trenton and Bordentown, New Jersey. He earned a B.S. in Secondary Education and English from Old Dominion University in 1990; an M.S. in Educational Administration from The College of William and Mary in 1997; and an Ed.D. in Educational Leadership and Policy Studies from Virginia Tech in 2002. Dr. Haas started out teaching English in Virginia Beach in 1990 and served there as an English teacher, coach, bus driver, and assistant principal at the middle and high school levels until 2001, when he and his family moved to Smyth County, Virginia. He served as a high school principal at Northwood High School in Smyth County for three years and came to Albemarle to be principal at Albemarle High School from 2004 through 2009. He has worked in the central office for Albemarle County Public Schools for the past 14 years as a director, executive director, assistant superintendent, deputy superintendent, and now superintendent.

Services Provided by the County

The County provides general governmental services for its community members, often in partnership with other governmental jurisdictions. Services include animal control, building inspections, planning and zoning, economic development, tourism, youth services, parks and recreation, libraries/culture, police and fire services, emergency medical services, E911 and emergency services, and health and social services. The County provides water and sewer services and disposal of refuse for portions of the County in connection with the Albemarle County Service Authority and the Rivanna Solid Waste Authority. Other services provided by the County, which receive partial funding from the Commonwealth of Virginia (the "Commonwealth"), include public education in grades kindergarten through twelve and certain technical, vocational and special education programs, mental health assistance, agricultural services, judicial activities, adult incarceration, juvenile detention services and airport services.

Public Schools

The Albemarle County Public School Board (the "School Board") is a body corporate vested with all the powers and charged with all the duties, obligations and responsibilities imposed upon school boards by Virginia law. The School Board may sue, be sued, contract, be contracted with and purchase, take hold, lease and convey school property, both real and personal.

At the time of election to office, each member of the School Board must be a qualified voter and bona fide resident of the school division and district that they represent and meet any other criteria set forth in Virginia law. If a board member shall cease to be a resident of the school division or that district that the School Board member represents, the position of the School Board becomes vacant until a successor is chosen.

The School Board is elected by popular vote from election districts coterminous with the election districts for the County Board. Elections of School Board members are held to coincide with the elections of members of the County Board at the regular general election in November. The terms of office for School Board members are the same as the terms of the County Board and commence on the January 1 following the date of their election.

No employee of the School Board is eligible to serve on the School Board.

The School Board presents an annual budget to the County Board. The County Board makes an annual appropriation for school operations but has no authority over how the School Board allocates and expends the amount appropriated. For the Fiscal Year ended June 30, 2023, the sources of revenues for the School Fund were expected to be approximately 27% from Commonwealth appropriations, approximately 68% from the County Board appropriations and approximately 5% from other sources.

Summary of Certain School Statistics

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Kindergarten Enrollment[1]	1,025	1,090	852	1,003	1,034
Elementary School Enrollment	5,273	5,393	4,950	4,987	5,141
Secondary School Enrollment	7,338	7,549	7,406	7,428	7,410
Total Enrollment	13,636	14,032	13,208	13,418	13,585
Number of Teachers and Administrators	1,431	1,479	1,473	1,509	1,515
Number of Other Employees	1,104	1,144	1,056	1,131	1,134
Total Number of Employees	2,535	2,623	2,529	2,640	2,649
Number of Elementary and Intermediate Schools	15	15	15	15	15
Number of Secondary Schools (includes Vocational) [2]	10	10	9	9	9
Total Number of Buildings	25	25	24	24	24

Source: Director of Budget and Planning, Albemarle County Public Schools.

(1) A majority of elementary schools host Pre-K programs. Enrollment for Pre-K is not included.

(2) Includes five comprehensive middle schools, three comprehensive high schools, one charter middle school and one charter high school. In 2020-2021, two charter schools were combined into one school. In 2021-2022, a virtual school was created. Because it does not have a building, it is excluded from this table.

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Statistics on Existing Public Schools

School	Grade[(1)]	Site Size	Original Construction Date	Date of Additions	K-12 Capacity[(2)]	2021-2022 Enrollment	2022-2023 Enrollment
Elementary:							
Agnor Hurt	K-5	19.5	1992	2015	504	404	401
Baker-Butler	K-5	55.0	2002	2018	567	656	727
Broadus Wood	K-5	11.7	1935	1961, 1966, 1985, 1993	360	246	269
Brownsville	K-5	20.0	1966	1997, 2003, 2009	684	736	576
Crozet	K-5	21.2	1990	1997, 2022	680	310	518
Greer	K-5	15.0	1974	2009, 2012	535	424	454
Hollymead	K-5	20.1	1972	1992, 2002, 2006	428	325	341
Ivy	K-5	17.7	1988	-	420	315	342
Mountain View	K-5	16.1	1990	1997, 2008, 2016	574	677	699
Murray	K-5	20.9	1960	1964, 1991	248	262	277
Red Hill	K-5	10.9	1973	1973, 1982, 2016, 2021	187	163	183
Scottsville	K-5	15.0	1974	1981, 2005, 2017, 2021	252	201	208
Stone Robinson	K-5	11.3	1961	1972, 1988, 1999	483	427	438
Stony Point	K-5	11.6	1934	1960's, 1972, 1990, 1996	234	180	182
Woodbrook	K-5	12.0	1966	1997, 2018	561	504	560
Total		**278.0**			**6,717**	**5,830**	**6,175**
Middle:							
Burley	6-8	15.3	1951	1988, 1992, 1998, 2002	693	564	585
Henley	6-8	30.0	1966	1999, 2006, 2016, 2018	910	813	805
Journey	6-8	20.0	1966	2003, 2005, 2017	690	656	629
Lakeside	6-8	21.0	1994	-	653	529	511
Walton	6-8	50.0	1974	-	501	316	336
Total		**136.3**			**3,447**	**2,878**	**2,866**
High/Other:							
Albemarle	9-12	40.0	1953	1961, 1970, 1974, 1979, 1984, 1992, 1996, 2009	1,727	1,792	1,945
Monticello	9-12	70.0	1998	2002, 2006, 2008	1,180	1,138	1,170
Western Albemarle	9-12	75.0	1977	1997, 2005, 2015, 2018	1,122	1,101	1,115
Center 1[(3)]	9-12	n/a[(3)]	n/a[(3)]	2018, 2020	120	71	99
Community Lab Sch.	6-12	7.1	1959	1992, 1996, 2005, 2008	240	185	187
Post High	12+	n/a[(4)]	n/a[(4)]	n/a[(4)]	24	22	28
Virtual School		n/a	n/a	n/a		401	0
Total		**192.1**			**4,413**	**4,710**	**4,544**
Schools Grand Total		**606.4**			**14,577**	**13,418**	**13,585**

Source: Director of Building Services and Director of Budget and Planning, Albemarle County Public Schools.
(1) A majority of elementary schools host Pre-K programs. Enrollment for Pre-K is not included.
(2) Building Capacity for K-12 students only.
(3) Center 1 is located in a leased space of 42,274 square feet.
(4) Post High is located on the Burley Middle School Campus and serves Special Education students beyond 12th grade.

Higher Education

The County is also home to three institutions of higher learning, the University of Virginia ("UVA"); Piedmont Virginia Community College ("PVCC"); and American National University ("ANU").

Founded in 1819 by Thomas Jefferson, UVA is situated on 188 acres and has a current enrollment of over 25,000 students. UVA was tied for third among public universities according to the 2022 *U.S. News & World Report* rankings. Since *U.S. News & World Report* began separately ranking public colleges and universities in 1998, UVA has never been ranked lower than fourth. In its 2022 edition of "America's Best Colleges", *U.S. News and World Report* also ranked UVA as tied for No. 25 in its Top National Universities category, which includes public and private institutions.

PVCC, established in 1972, is a nonresidential two-year institution of higher education. PVCC offers associate's degrees as well as transfer opportunities to a four-year college or university to complete a bachelor's degree. PVCC has guaranteed admission agreements with most colleges and universities in Virginia. PVCC is accredited by the Southern Association of Colleges and Schools Commission on Colleges. PVCC also offers extensive workforce training programs for local employees.

ANU opened its Charlottesville campus in 1979 and continues to build on its reputation among Central Virginia employers for its skilled graduates. ANU offers many diploma programs, as well as associate's, bachelor's and master's degrees in medical, business, and technology fields including medical health services management and cybersecurity. American National University is accredited by the Accrediting Council for Independent Colleges and Schools.

Transportation

The County and surrounding areas are served by Interstate 64 as a main east/west highway, connecting to I-81 and I-95, and by U.S. Highway 29 north/south and 250 east/west. The Virginia Department of Transportation ("VDOT") is responsible for road maintenance within the County.

The County is serviced by the Charlottesville-Albemarle Airport ("CHO"), a non-hub, commercial service airport offering daily non-stop flights to and from Atlanta, Charlotte, Chicago, New York/LaGuardia, Philadelphia, and Washington/Dulles. CHO includes a 60,000-square foot terminal facility with amenities including on-site rental cars, ground transportation and food service. General aviation facilities include an executive terminal offering a full-service fixed base operation, flight school and aircraft charter firms.

Rail transportation is provided by direct Amtrak passenger service and freight service to Hampton Roads in the east and Chicago in the Midwest. The Southern Railway main line, running from Washington, D.C., to Atlanta and New Orleans, also comes through the area.

The Charlottesville Area Transit ("CAT"), operated by the City of Charlottesville, Virginia (the "City"), provides bus service to all sections of the City and to the developed portions of the County. CAT operates 12 fixed routes, which provide bus service six days a week, both during the day and in the evening.

JAUNT is a regional public transportation system providing service to the citizens of Albemarle, Fluvanna, Louisa, Nelson, Buckingham, Greene, and Amherst Counties, as well as Charlottesville. Its buses make over 300,000 trips each year throughout a 2,600-square-mile service area, carrying riders to work, medical appointments, stores, leisure activities, and other destinations. In Albemarle County, JAUNT provides paratransit, rural demand response and commuter services.

Community Facilities

Medical Facilities. The largest medical facilities in the County are The University of Virginia Medical Center and Sentara Martha Jefferson Hospital. The University of Virginia Medical Center Hospital and its Children's Hospital have been ranked by U.S. News & World Report among the top hospitals in Virginia. In 2019, The University of Virginia Medical Center completed an emergency room expansion, tripling its size, and the hospital now has over 700 beds. Sentara Martha Jefferson Hospital, a not-for-profit hospital located in the County, provides general medical services and emergency room services to the community.

Public Library. Public library services in the County are provided by the Jefferson-Madison Regional Library, which also serves residents of the City, as well as Nelson, Greene and Louisa Counties. The library has over 500,000 volumes, including videos, books-on-tape, large print books and music compact discs, and circulates over 1,600,000 items annually. UVA's libraries house more than 4.7 million volumes.

Parks and Recreation. The Department of Parks and Recreation is responsible for the stewardship, development, maintenance, and management of high quality recreational facilities that consist of over 5,000 acres of public parklands, greenway trails, and natural open space to meet the outdoor recreation needs and desires of County residents and visitors. Currently, there are 14 County park facilities, with two additional under development and three properties in holding for future development; four community centers; and a total of over 85 miles of multi-use trails and three river access points within the County parks and in the County's greenways and blueways systems.

The Department of Parks and Recreation maintains all of these facilities, including 26 multi-use rectangular athletic fields and 25 softball/baseball fields, and provides maintenance support to the County's community and district parks located on Albemarle County Public Schools properties countywide. As identified in the County's Community Facilities Plan, community parks are generally located at elementary schools, and district parks are located at the middle and high schools. Facilities provided at community and district parks are generally designed for active recreation pursuits such as tennis, pickleball, baseball, softball, soccer, basketball, field hockey, football, lacrosse, cricket and playgrounds. Regional parks, which are larger in size and acreage, are designed for both active and leisure activities and provide recreational opportunities for swimming, picnicking, shelters, fishing, boating, hiking, running, mountain biking, disc golf, off leash dog parks, horseback riding as well as athletic facilities for youth and adults.

The Department of Parks and Recreation also offers numerous recreation classes, camps, special events, and youth and adult sports and programs, to enhance County residents' quality of life and wellness that provides recreational and enrichment opportunities for all ages.

Utilities. Natural gas is supplied by the Columbia Gas/Virginia Pipeline Company and distributed by Commonwealth Gas and the City of Charlottesville Gas. Raw water is supplied by the Rivanna Water and Sewer Authority and is distributed by the Albemarle County Service Authority and the City. The Rivanna Water and Sewer Authority provides water and sewage treatment services. The Rivanna Solid Waste Authority operates and maintains the County's landfill located in the Ivy area of the County.

Travel and Tourism

The County and immediate area contain numerous cultural and historic sites, outdoor recreation opportunities and a thriving agritourism scene. The travel and tourism industry contributes significantly to the local economy, having generated an estimated $421.5 million in revenues and approximately 3,087 jobs in the County in calendar year 2021.

UVA is located partially within the City's corporate limits, though legally within the jurisdiction of the County. The Lawn, Ranges and Rotunda, comprising the original academic buildings of UVA, were designed by Thomas Jefferson and are a registered national historic landmark and a UNESCO world heritage site. Monroe Hill, the home occupied by James Monroe when he was rector of the University, is also on the University grounds.

Jefferson's home, Monticello, is located within the County and typically receives over 400,000 visitors annually. James Monroe's Highland and several other outstanding eighteenth and nineteenth century landmarks also draw tourists to the area, as do the Skyline Drive, Blue Ridge Parkway and Shenandoah National Park, all located in the western part of the County.

The County and the City of Charlottesville jointly fund the Charlottesville-Albemarle Convention & Visitor's Bureau, which promotes tourist activities and provides assistance to visitors. In 2020, the Charlottesville-Albemarle Convention & Visitors Bureau purchased two branded vans to serve as mobile visitor centers. The mobile visitor centers will move between attractions in the City and the County, interacting with visitors and promoting the area.

The community has an active cultural life including a symphony orchestra, several theater and dance groups and numerous small museums and art galleries. The County provides direct support for many of these groups, including the Virginia Discovery Museum, the Highland Summer Festival, the Municipal Band, the Virginia Film Festival, and the Lewis & Clark Exploratory Center. The University annually provides a large number of appearances by speakers and performing artists of international reputation, most of which are open to the general public. A variety of national publications, including The Washington Post and The New York Times, as well as Food & Wine and Forbes magazines, regularly cover Charlottesville events and lifestyles.

Separate Authorities

Economic Development Authority. The Economic Development Authority was created by the County Board on May 12, 1976, pursuant to applicable Virginia law. The Economic Development Authority is composed of seven members appointed by the County Board, one from each magisterial district and one at-large member. The Economic Development Authority acquires, owns, leases and disposes of properties and makes loans to promote industry and development by inducing manufacturing, industrial, governmental, nonprofit and commercial enterprises and institutions of higher education to locate in or remain in the County. The Economic Development Authority's role also includes assisting qualified businesses, institutions and industries who plan to expand or locate within the County by administering grant and bond programs that support economic vitality.

Rivanna Solid Waste Authority. The Rivanna Solid Waste Authority (the "Solid Waste Authority") was created by ordinance of the governing bodies of both the City and the County on August 6, 1990. Organized pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2, Code of Virginia of 1950, as amended (the "Water and Waste Authorities Act"), and chartered by the State Corporation Commission on September 4, 1990, the Solid Waste Authority was created as a political subdivision to acquire, finance, construct, operate and maintain those facilities needed for the disposal of solid waste as well as those needed for recycling or other alternatives. The Solid Waste Authority is governed by a board of seven directors, six of whom are ex-officio members from the City and the County, with the seventh appointed by mutual consent of the City and the County governing bodies. The Solid Waste Authority is subject to the jurisdiction of the Virginia Department of Environmental Quality under the provisions of state and federal laws. The Solid Waste Authority operates under terms of the Organizational Agreement ratified by the City, the County and the Solid Waste Authority on November 20, 1990, along with subsequent Organizational, Environmental, and Recycling Agreements.

According to the Water and Waste Authorities Act, the Solid Waste Authority is authorized, among other things, to issue its revenue bonds to pay all or any part of the cost of a garbage and refuse disposal system. All indebtedness incurred by the Solid Waste Authority is payable solely from the revenues derived from user fees set by the Solid Waste Authority. The Solid Waste Authority has the authority to raise its fees to such a level as is necessary to cover the debt service on its obligations as well as pay its operating expenses and provide cash reserves. At present, the Solid Waste Authority's customers constitute private haulers who serve areas of the County and the City.

Albemarle County Service Authority. The Albemarle County Service Authority (the "Service Authority") was created by resolution of the County Board on April 2, 1964. Organized pursuant to the Water and Waste Authorities Act and chartered by the State Corporation Commission on April 23, 1964, the Service Authority was created as a political subdivision for the distribution and sale of potable water to retail customers and for the collection of wastewater from retail customers and delivery of such wastewater to the Rivanna Water and Sewer Authority (the "Water and Sewer Authority"). The Service Authority is governed by a board of five directors appointed for four-year terms by the County Board. The Service Authority is subject to the jurisdiction of the Virginia State Water Control Board under the provisions of state and federal water control laws.

According to the Water and Waste Authorities Act, the Service Authority is authorized, among other things, to issue its revenue bonds to pay all or any part of the cost of its water and sewer systems. All indebtedness incurred by the Service Authority is payable solely from the revenues of such systems. The Service Authority has the power to raise its rates to such a level as is necessary to cover the debt service on its obligations. As of June 30, 2022, the Service Authority had approximately $4.2 million in debt outstanding. The County has no direct obligation for the repayment of such debt.

Since July 1, 1973, when the Rivanna Water and Sewer Authority assumed responsibility for the operations of certain existing water supply and water and wastewater treatment facilities of the City and the Service Authority, the City and the Service Authority have received wholesale water and sewer services from the Water and Sewer Authority. Service to the City and the Service Authority is currently provided in a ratio of approximately 50-50% for water and wastewater services. See the following subsection for further information.

Rivanna Water and Sewer Authority. The Rivanna Water and Sewer Authority (the "Water and Sewer Authority") was created by ordinances of the governing bodies of both the City and the County on May 30, 1972. Organized pursuant to the Water and Waste Authorities Act and chartered by the State Corporation Commission on

June 7, 1972, the Water and Sewer Authority was created as a political subdivision to acquire, finance, construct, operate and maintain those facilities needed for the production, storage and transmission of potable water, as well as those facilities needed for the interception, treatment and discharge of wastewater. The Water and Sewer Authority is governed by a board of seven directors, six of whom are ex-officio members from the City and County, with the seventh appointed by mutual consent of the City and County governing bodies. The Water and Sewer Authority is subject to the jurisdiction of the Virginia Departments of Health and Environmental Quality under the provisions of state and federal water control laws.

According to the Water and Waste Authorities Act, the Water and Sewer Authority is authorized, among other things, to issue its revenue bonds to pay all or any part of the cost of water treatment or wastewater treatment systems. All indebtedness incurred by the Water and Sewer Authority is payable solely from the revenues of its water or sewage system. The Water and Sewer Authority has the authority to raise its rates to such a level as is necessary to cover the debt service on its obligations. At present, the Water and Sewer Authority has two customers, the City and the Service Authority. Neither the City, the Service Authority nor the County, however, has any direct obligation for the indebtedness of the Water and Sewer Authority. As of June 30, 2022, the Water and Sewer Authority had approximately $204.6 million principal amount of revenue bonds outstanding.

Albemarle-Charlottesville Regional Jail Authority. The Albemarle-Charlottesville Regional Jail Authority (the "Jail Authority") was created by ordinance of the governing bodies of both the City and the County on November 15, 1995. Organized under the authority of Chapter 3, Article 3.1 of Title 53.1 of the Code of Virginia of 1950, as amended (the "enabling legislation"), the Jail Authority was created as a political subdivision to acquire, finance, construct, operate and maintain a regional jail. On July 1, 1998, Nelson County become a member of the Jail Authority. The Jail Authority is governed by a board of eleven directors, four each from the City and the County (three of whom are ex-officio; the fourth is a citizen appointed by their respective governing bodies), two from Nelson County, and one who is jointly appointed by mutual consent of the governing bodies. The Jail Authority is subject to the jurisdiction of the Virginia Department of Corrections under the provision of state and federal laws.

The Jail Authority replaced the operations of the former Albemarle-Charlottesville Joint Security Complex, which had operated since 1977. According to the enabling legislation, the Jail Authority is authorized, among other things, to issue its revenue bonds to pay all or any part of the cost of a regional jail facility. All indebtedness incurred by the Jail Authority is payable from a combination of per diem prisoner payments and an amount for net debt service, collected from the three member jurisdictions. The per diem payments will be calculated to include the debt service costs on any moneys borrowed for construction of cells or prisoner housing areas. As of June 30, 2022, the Jail Authority had $27,602 in outstanding indebtedness.

Charlottesville-Albemarle Airport Authority. The Charlottesville-Albemarle Airport Authority (the "Airport Authority") was created in 1984 by the Virginia General Assembly as a political subdivision of the Commonwealth with the authority to direct the operations of the Charlottesville-Albemarle Airport. The former governing body of the Airport, the Charlottesville-Albemarle Airport Board, turned over all airport property to the Airport Authority and was then dissolved by joint resolutions of the City and County governing bodies.

The Airport Authority consists of three members: the City Manager, the County Executive and a member of the Joint Airport Commission. The seven-member Joint Airport Commission is composed of three County residents, three City residents and one member appointed by mutual consent of the City and County governing bodies. The Joint Airport Commission is advisory to the Airport Authority and elects its own Chairman.

The Airport Authority is a self-supporting, public entity. Annual revenues are derived from parking fees, airline rents, landing fees, passenger facility charges, customer facility charges and fees paid to the Airport Authority by concessions and tenants operating at the Airport. Neither the City nor the County is responsible for any indebtedness incurred by the Airport Authority. As of June 30, 2022, the Airport Authority had $2.4 million in outstanding revenue bonds.

Albemarle Conservation Easements Authority. The Albemarle Conservation Easements Authority (the "ACEA") was created as a parks and recreational facilities authority pursuant to a resolution adopted by the County Board on November 20, 1989, pursuant to the Public Recreational Facilities Authority Act (§ 15.2-5600 et seq. of the Code of Virginia of 1950, as amended). Formerly known as the Public Recreational Facilities Authority, the ACEA was established to accept, hold and administer open-space land and interests therein under the Open-Space Land Act (§ 10.1-1700 et seq. of the Code of Virginia of 1950, as amended). The types of interests held include open-space easements donated by landowners, easements acquired by the County under its acquisition of conservation easements program and easements created pursuant to rural preservation developments allowed under the County's zoning regulations. The ACEA is governed by a nine-member board appointed by the County Board. As of June 30, 2022, the ACEA had no outstanding indebtedness.

The Albemarle Broadband Authority. The Albemarle Broadband Authority ("ABBA") was incorporated as a wireless service authority by resolution adopted by the County Board on August 2, 2017, pursuant to the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq. of the Code of Virginia of 1950, as amended). ABBA works to extend affordable broadband internet service access to every customer in the County. ABBA does not own or operate a broadband internet network; instead, ABBA partners with internet service providers, community members, businesses and governments to advance broadband to every citizen and business in the County. ABBA is governed by a six-member board (two of whom are members of the County Board) appointed by the County Board. As of June 30, 2022, ABBA had no outstanding indebtedness.

Labor Relations

As part of the 2020 legislative session, the Virginia General Assembly voted to provide localities the authority to recognize labor unions or employee associations as bargaining representatives of any public employee bargaining unit for purposes of bargaining collectively for terms and conditions of employment. The legislation was subsequently signed by the Governor with an amendment making this legislation effective May 1, 2021. To date, the County Board has not adopted an ordinance or resolution authorizing collective bargaining or allowing any such union or employee association to be recognized as an exclusive bargaining representative. On March 2, 2023, the County School Board voted to allow collective bargaining and directed school division staff to negotiate a collective bargaining resolution with the Albemarle Education Association ("AEA"). At this juncture, negotiation of a joint collective bargaining resolution continues between the school division staff and the AEA.

Under Virginia law, any employees of the County, who, in concert with two or more other such employees, for the purpose of obstructing, impeding or suspending any activity or operation of their employing agency or any other governmental agency, strikes or willfully refuses to perform the duties of their employment, shall, by such action, be deemed to have terminated their employment and shall thereafter be ineligible for employment in any position or capacity during the next twelve months by the Commonwealth, or any county, city, town or other political subdivision of the Commonwealth, or by any department or agency thereof.

The County has neither negotiated nor bargained with its employees in any manner concerning any aspect of the terms and conditions of the employment of its employees.

The County does provide, pursuant to Virginia law, a grievance procedure for the resolution of various personnel complaints.

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COUNTY ECONOMIC AND DEMOGRAPHIC FACTORS

Population

The following table presents the County's estimated population for the last ten years.

Year(1)	Population
2013	102,559
2014	103,330
2015	104,221
2016	105,338
2017	106,495
2018	108,202
2019	109,987
2020	112,801
2021	114,424
2022	115,495

Source: Weldon Cooper Center Public Service.
(1) Estimates as of July 1 of the particular year.

Per Capita Income

The following table presents comparative total per capita income figures for the County, the Commonwealth and the United States for selected years.

	2016	2017	2018	2019	2020	2021**
Albemarle County*	$65,332	$70,241	$73,889	$77,844	$80,244	$85,867
Commonwealth of Virginia	53,268	54,879	56,619	59,073	62,189	66,305
United States	49,613	51,550	53,786	56,250	59,765	64,143

Source: U.S. Bureau of Economic Analysis; most recent information available.
* Includes data for the City.
** Latest information available.

Largest Employers

The largest employers (by number of employees) located in the County for Fiscal Year 2022 are listed below.

Firm	Product	Approximate Number of Employees
University of Virginia/Blue Ridge Hospital	Educational Services / Hospital	1,000+
Sentara Healthcare (formerly Martha Jefferson Hospital)	Hospital	1,000+
U.S. Department of Defense	Federal Government	1,000+
County of Albemarle	Local Government / Education	1,000+*
State Farm Mutual Automobile Insurance	Insurance	500 - 999
Crutchfield Corporation	Retail	500 - 999
Piedmont Virginia Community College	Educational Services	500 - 999
Walmart	Retail	250 – 499
Northrup Grumman Corporation	Manufacturing	250 – 499
Atlantic Coast Athletic Club	Fitness	250 – 499

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2022.
* Figure recently revised to reflect combination of County/School employees.

Unemployment Rates

The table below provides comparative average annual unemployment rates for calendar years 2018 through 2022, and the average of the monthly unemployment rates for the first eight months of the calendar year (through August 2023) for the County, the Commonwealth and the United States.

	2018	2019	2020	2021	2022	2023[1]
Albemarle County	2.7%	2.4%	5.3%	3.2%	2.8%	2.6%
Commonwealth of Virginia	3.0	2.8	6.2	3.9	2.9	2.9
United States	3.9	3.7	8.1	5.3	3.3	3.7

Sources: County and Commonwealth figures from Virginia Employment Commission; United States figures from Bureau of Labor Statistics.
(1) Preliminary information; latest information available.

Taxable Retail Sales

The following table shows retail sales data in the County for the last five years for which information is available.

Calendar Year	Taxable Retail Sales
2017	$1,490,607,721
2018	1,528,316,908
2019	1,542,201,308
2020	1,472,443,819
2021	1,684,468,389
2022	1,876,328,249

Source: Virginia Department of Taxation.

Building Permits

Building permits issued by the County and the corresponding value of such permits are presented below.

Calendar Year	Residential Units		Other		Total	
	No. [1]	Value[2]	No. [1]	Value[2]	No. [1]	Value[2]
2013	468	$120,478	36	$13,838	504	$134,316
2014	474	151,713	29	61,473	503	213,186
2015	449	135,510	42	82,191	491	217,701
2016	592	213,556	48	45,738	640	259,294
2017	664	209,766	53	21,115	717	230,881
2018	661	224,124	46	20,732	707	244,856
2019	795	257,795	50	95,927	845	353,722
2020	531	223,241	49	99,465	580	322,706
2021	544	233,824	27	89,399	571	323,223
2022	436	207,646	60	55,639	496	263,285

Source: Albemarle County Staff.
(1) Residential Unit and Other columns reflect number of new units regardless of the number of dwellings. Does not include additions, alterations, farm buildings, etc.
(2) Value expressed in thousands.

Overview of Select Economic Data

The County has a diverse collection of economic development sectors and partners that provide economic stability for today and help position the County for the future. Principal economic sectors include the defense industry, high-tech companies, tourism, life sciences, agriculture, as well as locally-owned small businesses and retailers that prevent leakage from the local economy.

University of Virginia

UVA, which is primarily located in the County, helps to accelerate robust economic growth for a number of communities across Virginia. In particular, the University has joined the County, the City and the Chamber of Commerce to form Venture Central, a collective effort to create start-up companies via research, innovation and entrepreneurship. *See "Albemarle County's Investments in Economic Development" below for additional detail regarding Venture Central*. The University has also recently founded two research institutes—the Data Science Institute and the Manning Institute for Biotechnology. The Data Science Institute has been a catalyst for expanded cyber security research and contributed to the creation of a new 75-person company—CCri. Through these undertakings and others, the University helps recruit and retain industry in the County and the surrounding area and empowers a future-ready workforce with the necessary skills to adapt to a rapidly changing world.

The Manning Institute of Biotechnology is an estimated $300 million investment to establish a state-of-the-art campus centered on the research, development, commercialization, manufacturing, and patient care of new, innovative cellular, gene, and immuno-therapies. The Institute is expected to provide a confluence of researchers and scientific leaders from all biomedical, engineering, and chemical sciences at the University with over 350,000 square feet of research space.

Defense

Rivanna Station is a 75-acre sub-installation of Fort Belvoir located in northern Albemarle County. It currently hosts missions of the National Ground Intelligence Center (NGIC), Defense Intelligence Agency (DIA), and National Geospatial-Intelligence Agency (NGA). In February 2023, the Weldon Cooper Center for Public Service published an economic analysis titled "The Defense Industry's Economic Impact on the Charlottesville Region." It found the total annual economic impact of the defense industry in the region (defined as Greene County, Albemarle County, and the City of Charlottesville) totaled $1,218,252,468 and accounted for 7,347 jobs.

Rivanna Station is the single largest component of the regional defense industry. It alone accounts for 3,790 jobs and $643 million in annual output. There are also defense manufacturing contractors, such as Northrop Grumman and Mitre, which have continued to expand local operations with capital investments and new hires.

Primary Businesses

The County is also home to a multitude of primary businesses that create goods or provide services to others outside the area, which has resulted in a flow of new wealth into the community. The types of primary businesses and services are diverse. Examples include: (1) technology companies such as WillowTree, PunchOut2Go and Castle Hill Gaming; (2) manufacturers such as Northrop Grumman, MicroAire and Mikro Systems; (3) agricultural businesses including more than fifty wineries, cideries and breweries; and (4) medical services such as UVA Health Services and Sentara Martha Jefferson. This diverse array of industries and services help illustrate that the County is not reliant on any one economic sector, minimizing the likelihood of significant economic harm.

Albemarle County's Investments in Economic Development

Over the past decade, the County has increased its investment in economic development and maintaining a thriving economy. In 2018-19, the County established the Economic Development Office and hired an Economic Development Director, Project Coordinator and Project Manager, all to enhance its economic development efforts. The County soon adopted an economic development strategic plan named Project ENABLE.

Project ENABLE is a wide-ranging set of strategies for achieving and maintaining economic vitality and growing the County's tax base, which include, among other things, public investment in local infrastructure and local businesses, incentives to attract and retain local business and public-private partnerships. For example, in Fiscal Year 2019, the County dedicated $5,300,000 to create an economic development investment pool to achieve the goals in Project ENABLE, provide customized solutions to help local businesses and support economic vitality efforts.

In 2018, the County partnered with the City and UVA to launch an economic development group cluster strategy resulting in unified support of CVilleBioHub. This hub amplifies a vibrant and expansive biotechnology industry cluster in the community, home to more than 75 companies at the forefront of advancing human health and innovation. The result has been reported to be approximately $118 million in grant support, 1,950 employed, $183 million in funds raised, and 431 patents issued.

Additionally, the County has ongoing collaborations with the City, UVA and the local Chamber of Commerce to create a highly adaptive innovation and entrepreneurship ecosystem, called Venture Central. Venture Central is intended to amplify economic vitality by launching start-up companies born from local research, innovation and entrepreneurship.

Finally, to help ensure the long-term success of Rivanna Station, the County obtained a contract to purchase 462 acres of land surrounding the installation for approximately $58 million. The acquisition of this land is intended to provide the necessary site control to reduce the threat of encroachment, retain the existing missions, and grow their impact within the community. One vision to grow the mission includes over 600,000 square feet of development that is estimated to create 873 jobs and contribute annually approximately $1.0 million in local tax revenue, $2.2 million in state tax revenue, and $135.0 million in gross economic activity.

Public-Private Partnerships

In April 2020, the Albemarle Business Campus, a public-private partnership to be located near the 5th Street Station shopping center, was established to invest an estimated $40 -$100 million in the County, providing benefits such as traffic solutions, a large increase in the County's tax base, various infrastructure and real estate improvements, and homes to both businesses and families. The agreement outlines how the developer will construct and market at least 25,000 square feet of office space for "primary businesses" in coordination with the Economic Development Office.

In July 2019, the County entered into a public-private partnership with Crozet New Town Associates to redevelop the Barnes Lumber property in Crozet. The Barnes Lumber redevelopment will transform a vacant industrial site in downtown Crozet into a mixed-use space featuring a public plaza, commercial and retail space, a hotel and approximately 52 residential units. The County has agreed to contribute $1.6 million in the form of incremental tax financing and $1.6 million in other public funds to build a public plaza. The developer will provide $2 million to match a $2.3 million contribution from VDOT to build a road network. The Barnes Lumber redevelopment is expected to add 471,000 square feet of space. Construction is scheduled to begin in the Spring 2024.

In December 2019, the County, Perrone Robotics, Inc., and JAUNT, Inc., entered into a partnership to develop, test and operate an autonomous transit shuttle service pilot in the County. The partnership, totaling $600,000, launched autonomous transit shuttle service in March 2019. As part of the partnership, the County provided a neighborhood electric vehicle. Perrone Robotics adapted their technology to enable the neighborhood electric vehicle and provided an autonomous shuttle service. While the shuttle operated autonomously, a safety-trained transit "ambassador" was on-board. In 2021, Perrone Robotics, in part due to this partnership with JAUNT, received an additional $10 million of capital investment and announced a 3-year plan to expand operations in the County. The total project is expected to include $21,000,000 in new investment and to create approximately 200 jobs, with average annual salaries expected to exceed $100,000.

In September 2018, the County partnered with the Commonwealth of Virginia, the Economic Development Authority and Woolen Mills, LLC, to redevelop Woolen Mills, an iconic site located along the Rivanna River. Woolen Mills has been redeveloped as the new corporate campus for WillowTree, Inc., with approximately $12.3 million in new investment. The project was forecasted to create approximately 200 net new jobs, with median annual salaries exceeding $80,000. The Weldon Cooper Center at UVA conducted an IMPLAN analysis and projected the economic impact of the project will exceed more than $132,000,000 annually. WillowTree began operating in the redeveloped site in July 2020 and was acquired for $1.2 billion by TELUS International Company in October 2022. The acquisition will provide WillowTree with additional resources to continue expanding in Albemarle County.

Other Business Expansions

In 2016, the Brookhill development was approved for a maximum of 1,550 residential units and 130,000 square feet of non-residential space along with other community amenities. By 2021, a 179-unit multi-story, assisted living facility and 316 apartments had been completed. Multiple other phases are currently under construction.

In February 2018, Lighthouse Instruments announced a $4.8 million investment to expand its manufacturing operation in the County, creating 10 jobs. Lighthouse Instruments is one of the world's leaders in laser test and measurement systems for pharmaceutical process monitoring.

In January 2019, Potter's Craft Cider announced a $1.56 million investment to relocate and expand its existing hard cider production facility and add a tasting room. In 2022, the company announced another $900,000 expansion on Broadway Street as its distribution expands from the mid-Atlantic to across the United States.

In June 2019, Castle Hill Gaming announced a $1.3 million investment to expand its headquarters in the County, creating over 100 jobs. Castle Hill Gaming is a software developer of quality gaming solutions and works with clients across the United States.

In July 2019, the Oakleigh mixed-use development opened a multi-story assisted living facility. The remaining phases have not started construction, but are zoned for a mix of offices, apartments, and retail. The development also contains a veterans' memorial open to the public.

In November 2019, a 103-room Staybridge Suites Hotel was added to Hollymead Town Center, which is a mixed-use development consisting of a shopping center with Target, Harris Teeter, Kohl's, PetSmart, Bonefish Grill, and many other stores and restaurants. Additionally, more than 500 residential units have been constructed.

In February 2021, Afton Scientific announced a $500,000 investment to expand its operations within the County. Afton Scientific plans to add 20 new jobs and 8,000 square feet to its facility to accommodate its estimated 50 percent growth over the past year.

In October 2021, Bonumose, Inc., a Virginia-based startup with patented technology that could enable the mass market adoption of rare healthy sugars, announced a $27.7 million investment to expand in the County and add approximately 64 high-paying jobs.

In December 2021, Rivanna Medical, Inc. announced that it is partnering with the Biomedical Advanced Research and Development Authority ("BARDA") to develop a portable medical system for rapid, radiation-free fracture detection and aid for triage in emergency medicine. The company expects to receive grant funding of up to $65 million from BARDA. In addition, the company anticipates an initial investment of $260,000 to expand its headquarters in the County and create approximately 18 initial jobs. In July 2023, BARDA exercised an option to provide $30.5 million over the next 39 months and secured additional options to provide up to $56.4 million to advance R&D on their innovative imaging-based medical solutions.

In January 2023, PS-Fertility, Inc. announced a $1.4 million investment at 3030 Vision Lane in Albemarle County. PS-Fertility is a life sciences start-up that is expected to create 31 new jobs to commercialize a novel male fertility diagnostic technology originally developed at UVA. The 4,000 square foot facility will serve as its headquarters and house a test kit assembly operation and a diagnostic laboratory.

In May 2023, AgroSpheres announced a $25 million investment at 1180 Seminole Trail in Albemarle County to enhance production of its biological pesticides and build a demonstration facility for new environmentally friendly crop protection products. This facility will be a pilot plant that will pave the way for a larger manufacturing operation in the future.

TAX BASE DATA

County Tax Data

The following tables present certain operating data concerning the County's tax base.

Assessed Value of all Taxable Property
($ amounts expressed in thousands)

Tax Year	Real Estate[(1)]	Personal Property[(2)(3)]	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate [(4)]
2013	$14,734,853	$ 905,538	$329,783	$15,970,174	1.045%
2014	14,931,100	932,217	333,529	16,196,846	1.022
2015	15,467,281	951,629	358,256	16,777,166	1.000
2016	16,059,837	998,813	388,154	17,446,804	0.983
2017	16,719,336	1,040,481	391,501	18,151,318	0.972
2018	17,543,064	1,046,359	397,434	18,986,857	0.981
2019	18,459,194	1,098,864	437,903	19,995,961	0.975
2020	19,457,789	1,090,069	449,544	20,997,402	0.978
2021	20,300,083	1,200,642	473,631	21,974,356	0.983
2022	21,673,254	1,472,874	514,123	23,660,251	0.988

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2022.
(1) Real estate net of exemptions for land use deferral and tax relief for the elderly/disabled.
(2) Personal property includes personal property, business personal property, machinery/tools and mobile homes.
(3) Personal property, machinery and tools, and public service is assessed as 100% fair market value.
(4) The total direct tax rate is calculated using the weighted average method.

Ten Principal Real Property Taxpayers
As of January 1, 2023[(1)]

Name	Nature of Business	Assessed Valuation [(2)]	% of Total Assessed Valuation
University of Virginia Real Estate Foundation	Office Park	$ 226,257	0.85%
Westminster-Canterbury	Retirement Village	153,238	0.58
5th Street Station Ventures, LLC	Developer	114,936	0.43
Reserve at Belvedere, LLC	Apartments	89,344	0.34
Oct Stonefield Property Owner, LLC	Shopping Center	87,957	0.33
Brookhill Apartments, LLC	Apartments	79,925	0.30
MAALP Stonefield Commons, LLC	Shopping Mall	76,610	0.29
Avemore Associates, LP	Apartments	73,294	0.28
Stone Creek Apartments, LLP	Apartments	70,796	0.27
Berkmar Apartments, LLC	Apartments	68,756	0.26
Totals		$1,041,113	3.93%

Source: Department of Finance & Budget, Albemarle County, Virginia.
(1) Based on January 1, 2023 real estate tax assessment records.
(2) Amounts expressed in thousands.

Selected Miscellaneous Tax Receipts
($ Amounts in Thousands)

Fiscal Year	Business License Taxes	Consumer Utility Taxes	Motor Vehicle Licenses	Recordation and Wills Taxes	Meals Tax
2013	$10,198	$4,266	$3,773	$1,706	$6,168
2014	10,160	4,346	3,673	1,806	6,362
2015	10,640	4,440	3,566	1,668	6,951
2016	11,692	4,404	3,733	1,679	7,415
2017	12,626	4,463	3,911	2,308	7,971
2018	13,231	4,608	3,925	1,830	8,580
2019	13,481	4,571	4,224	1,944	8,850
2020	13,835	4,493	3,945	2,063	7,909
2021	13,811	4,541	4,007	3,203	7,332
2022	15,355	4,761	4,009	2,972	10,218

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2022.

Property Tax Rates(1)(2)

Fiscal Year	Real Estate(3)	Personal Property(3)	Public Service Real	Public Service Personal
2014	$.766/.799	$4.28/4.28	$.766/.799	$4.28/4.28
2015	.799/.819	4.28/4.28	.799/.819	4.28/4.28
2016	.819/.839	4.28/4.28	.819/.839	4.28/4.28
2017	.839/.839	4.28/4.28	.839/.839	4.28/4.28
2018	.839/.839	4.28/4.28	.839/.839	4.28/4.28
2019	.839/.854	4.28/4.28	.839/.854	4.28/4.28
2020	.854/.854	4.28/4.28	.854/.854	4.28/4.28
2021	.854/.854	4.28/4.28	.854/.854	4.28/4.28
2022	.854/.854	4.28/3.42	.854/.854	4.28/3.42
2023	.854/.854	3.42/3.42	.854/.854	3.42/3.42

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2022; County Finance and Budget Department.
(1) Per $100 of assessed value.
(2) Includes 1st Half Rate/2nd Half Rate.
(3) Mobile homes taxed as personal property using the real estate tax rate.

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Tax Levies and Collections

Fiscal Year	Total Tax Levy for Fiscal Year[(1)]	Collected within the Fiscal Year of the Levy: Current Tax Collections	Collected within the Fiscal Year of the Levy: Percent of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2013	$152,881,289	$146,813,431	96.03%	$ 5,971,832	$152,785,263	99.94%
2014	158,501,037	152,862,649	96.44	5,525,134	158,387,783	99.93
2015	167,821,725	162,541,808	96.85	5,174,982	167,716,790	99.94
2016	177,465,143	171,967,912	96.90	5,395,103	177,363,015	99.94
2017	186,788,335	181,098,238	96.95	5,390,847	186,489,085	99.84
2018	193,611,195	189,968,058	98.12	3,271,350	193,239,408	99.81
2019	205,017,770	199,964,487	97.54	4,314,891	204,279,378	99.64
2020	214,696,751	196,210,787[(2)]	91.39[(2)]	17,319,341	213,530,128	99.46
2021	223,531,251	213,417,187[(2)]	95.48[(2)]	7,172,673	220,589,860	98.68
2022	239,424,984	228,405,312	95.40	-	228,405,312	95.40

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2022.

(1) Net of exemptions for land use deferral and tax relief for the elderly/disabled.

(2) The due date for the 1st half installment of 2020 taxes was moved from June 5th to June 30th due to COVID-19. As a result, there was a significant increase in tax collections after year end.

City-County Revenue Sharing Agreement

As an alternative to future annexations by the City of portions of the County, the governing bodies of the two jurisdictions have entered into a revenue-sharing agreement. The agreement was adopted in 1982 after public hearings by both the City Council and the County Board, and approved at a referendum in May 1982 by County voters. No referendum by City voters was required.

Under this agreement, the City has permanently foregone its right to annex territory within the County. In return, the two jurisdictions annually pool a fixed percentage of their real estate tax proceeds. The pooled revenues are then re-divided under a formula based on population and relative real estate tax effort, with a maximum annual transfer equivalent to 10 cents of the County's tax rates times the County's assessed value of real estate. The formula has produced a payment by the County to the City in the last ten years as follows:

Fiscal Year Ended June 30	Amount
2014	$16,931,333
2015	16,466,981
2016	16,058,668
2017	15,767,084
2018	15,855,485
2019	15,596,360
2020	14,199,617
2021	14,589,313
2022	15,411,834
2023	15,545,227

FINANCIAL INFORMATION

Budgetary Procedure

Prior to April 1, the County Executive submits to the County Board a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. Public hearings and community meetings are conducted to obtain citizen comments. Also, work sessions between the County Board and the School Board are conducted relating to the School Board budget. Prior to June 30, the budget is legally enacted by an appropriations resolution of the County Board. Changes to the approved General Fund operating budget during the fiscal year can be accomplished in any of the following ways: (1) transfers between divisions and non-salary line-item expenditures within general government departments may be approved by the heads of the departments; (2) transfers between expenditure accounts in different departments may be approved by the County Board or, if specifically delegated by the County Board, by the County Executive; and (3) encumbered funds for active operational purchase orders will be carried forward into the next fiscal year subject to the approval of the County Board. The School Board is authorized to transfer budgeted amounts within the school system's categories.

Formal budgetary integration is employed as a management control device during the year for the General Fund and the General Capital Projects Fund. The School Fund and the School Capital Projects Fund are integrated only at the level of legal adoption. All budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

All appropriations lapse on June 30 and are re-appropriated, as necessary.

Accounting System and Annual Audit

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting and reporting entity. Operations are accounted for by a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures or expenses.

The modified accrual basis of accounting is followed for the Governmental Funds (General, Special Revenue, Debt Service and Capital Projects). Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenues and other local taxes, the term available is limited to collection within 45 days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are deferred. Interest income is recorded as earned; federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

An annual audit is made of the various funds of the County, and the most recently completed financial statement submitted by Robinson, Farmer, Cox Associates, independent certified public accountants, is presented in the Appendix D to this Official Statement. Robinson, Farmer, Cox Associates has not been engaged to review this Official Statement or any other matters in connection with the issuance of the Series 2023 Bonds.

Note 1 of the financial statements in Appendix D gives a more detailed summary of significant accounting policies.

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Five-Year Summary of Revenues, Expenditures and General Fund Balances

The financial data shown in the table below presents a summary of the County's General Fund revenues, expenditures and fund balances for the Fiscal Years ended June 30, 2018 to 2022. The summaries for the Fiscal Years have been compiled from the accounting records of the County for the same Fiscal Years.

Five-Year Summary of
Revenues, Expenditures and Fund Balances
General Fund
Fiscal Years 2018 to 2022

	2018	2019	2020	2021	2022
Revenues					
General Property Taxes	$183,727,785	$195,682,664	$204,574,224	$216,599,323	$232,723,027
Other Local Taxes	52,089,699	53,234,026	53,469,503	55,833,042	63,978,126
Permits, Privilege Fees & Regulatory Licenses	2,936,061	2,594,777	2,755,285	2,800,489	3,605,609
Fines & Forfeitures	487,221	515,342	410,333	199,460	310,213
Use of Money & Property	1,664,455	1,851,038	1,791,992	1,497,825	1,476,624
Charges for Services	1,576,254	3,919,176	3,751,776	3,522,275	4,220,164
Miscellaneous	222,962	278,190	335,004	695,204	754,684
Recovered Costs	849,215	375,482	377,363	726,351	1,419,539
Intergovernmental					
Contribution from School Board	1,520,455	620,869	5,415,466	4,425,479	41,183
Commonwealth	27,651,180	28,251,847	28,194,254	27,348,856	27,685,472
Federal	6,607,249	7,123,098	7,218,272	7,499,237	7,572,391
Total Revenues	$279,332,536	$294,446,509	$308,293,472	$321,147,541	$343,787,032
Expenditures					
General Government Administration	$ 14,168,560	$ 14,784,312	$ 16,528,524	$ 17,498,215	$ 20,283,697
Judicial Administration	4,853,301	5,328,534	5,745,333	5,589,083	6,254,372
Public Safety	27,008,819	44,051,141	47,213,732	40,201,589	49,999,504
Public Works	4,860,134	5,722,825	5,931,091	7,683,222	7,461,164
Health & Welfare	17,749,686	19,940,970	18,661,884	20,340,530	20,849,841
Education - local community college	24,934	24,255	24,008	24,048	-
Education - public school system	124,103,485	134,885,001	142,828,854	146,381,563	159,350,640
Parks, Recreation & Cultural	8,083,543	8,562,105	8,960,028	8,321,599	8,751,407
Community Development	24,390,822	24,568,626	24,512,954	24,800,961	25,969,194
Contingencies	605,666	548,509	523,728	596,120	1,179,255
Total Expenditures	$225,848,950	$258,416,278	$270,930,136	$271,436,930	$300,099,074
Excess (deficiency) of Revenues over Expenditures	$ 53,483,586	$ 36,030,231	$ 37,363,336	$ 49,710,611	$ 43,687,958
Other Financing Sources (Uses):					
Transfers in	$ 3,203,960	$ 3,359,398	$ 2,599,295	2,844,672	4,195,745
Transfers out	(59,499,041)	(37,105,295)	(36,023,971)	(30,752,140)	(55,164,035)
Total other financing sources (uses)	$ (56,295,081)	$ (33,745,897)	$ (33,424,676)	$ (27,907,468)	$(50,968,290)
Net change in fund balance	$ (2,811,495)	$ 2,284,334	$ 3,938,660	$ 21,803,143	$ (7,280,332)
Fund balance, beginning of year	$ 56,305,118	$ 53,493,623	$ 55,777,957	$ 59,716,617	$ 81,519,760
Fund balance, end of year	$ 53,493,623	$ 55,777,957	$ 59,716,617	$ 81,519,760	$ 74,239,428

Source: Information from Fiscal Years 2018-2022 derived from the County's Annual Comprehensive Financial Reports for such years.

Preliminary, Unaudited Fiscal Year 2023 Results

Based upon preliminary, unaudited financial information for the County's fiscal year ended June 30, 2023, the County's General Fund revenues are projected to total approximately $388.1 million. This amount exceeds the revised Fiscal Year 2023 budget by $7.0 million (or 1.8%). The County's General Fund expenditures are projected to total approximately $380.9 million. This amount is $13.1 million (or 3.3%) below the revised Fiscal Year 2023 budget. As a result, the General Fund's fund balance is projected to increase by $7.2 million. Actual, audited financial results may be different from those projected, and such differences may be significant.

COVID-19 Relief Funds

In connection with the response to the COVID-19 pandemic, the County received approximately $21.2 million in total federal grant funding from the American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF). The County prioritized the use of such funding to respond to pandemic needs and to make investments in creating long-term change in the community. As such, the County used most of its ARPA-SLRF funding for one-time capital projects and initiatives rather than ongoing operations. This approach allowed the County to make significant impacts in the community and avoid having to make adjustments for one-time revenue loss tied to ongoing expenditures.

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General Fund Operating Budget

The following table shows the County's budgeted revenues and expenditures for the General Fund for the Fiscal Years 2023 and 2024.

Adopted Budgets for General Fund – Fiscal Years 2023 and 2024

General Fund Revenues:	**Adopted FY 2023**	**Adopted FY 2024**
Local Sources:		
General Property Taxes	$243,939,084	$271,201,989
Other Local Taxes	70,926,224	76,792,171
Other Local Revenue	9,526,691	14,165,435
Subtotal	$324,391,999	$362,159,595
State Revenue	$ 28,801,879	$ 29,508,544
Federal Revenue	8,266,645	8,811,771
Non-Revenue Receipts	--	135,000
Transfers	3,604,144	6,201,634
Use of Fund Balance	3,219,921	1,374,584
Subtotal	$ 43,892,589	$ 46,031,533
Total	$368,284,588	$408,191,128
General Fund Expenditures:		
Administration	$ 26,375,658	$ 26,609,354
Judicial	6,963,217	7,683,378
Public Safety*	53,478,910	61,063,933
Public Works	8,126,282	11,211,104
Health & Welfare*	24,527,532	27,312,230
Parks, Recreation & Culture	9,618,543	11,256,182
Community Development*	13,087,081	14,392,115
Subtotal	$142,177,223	$159,528,296
Revenue Sharing	$ 15,545,227	$ 15,715,740
Transfers to Schools	167,453,853	182,019,694
Transfer to Capital/Debt Service	35,820,668	43,912,802
Other Use of Funds*	7,287,617	7,014,596
Subtotal	$226,107,365	$248,662,832
Total	$368,284,588	$408,191,128

Source: Department of Finance & Budget, Albemarle County, Virginia.
* Other includes Economic Development Fund, Grants Leveraging Fund, and transfer to Vehicle Replacement Fund.

Pension Plan

The County and the School Board each participate in the Virginia Retirement System ("VRS") defined benefit pension plan. All full-time, salaried permanent (professional) employees of the School Board and the County are automatically covered by VRS upon employment. Benefits vest after five years of service credit.

At June 30, 2022, the County reported a liability of $21,958,110 for its proportionate share of the net pension liability of its employees. The County's net pension liability was measured as of June 30, 2021. Contributions from the County to the pension plan totaled $6,688,051 and $6,227,157 for the Fiscal Years ended June 30, 2022, and June 30, 2021, respectively.

At June 30, 2022, the School Board reported a positive variance of $4,081,244 for its proportionate share of the net pension liability for its nonprofessional employees. The School Board's net pension liability was measured as of June 30, 2021. Contributions from the School Board to the pension plan for its nonprofessional employees totaled $375,379 and $327,696 for the Fiscal Years ended June 30, 2022, and June 30, 2021, respectively.

At June 30, 2022, the School Board reported a liability of $87,983,840 for its proportionate share of the net pension liability for its professional employees. The School Board's net pension liability was measured as of June 30, 2021. Contributions from the School Board to the pension plan for its professional employees totaled $17,910,347 and $16,033,889 for the Fiscal Years ended June 30, 2022, and June 30, 2021, respectively.

For each of the plans described above, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumed investment rate of return for purposes of such valuation was 6.75%, net of pension plan investment expense, including inflation.

For more information about the plans and the funding thereof, see Note 13 to the County's audited financial statements attached as Appendix D.

Part-Time Employee Pension Plan

See Note 11 to the County's audited financial statements included as Appendix D for information on the County's defined contribution plan for its permanent part-time employees.

Commitments and Contingent Liabilities

Federal programs in which the County and the School Board participate were audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* All major programs and certain other programs were tested for compliance with all applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional tests which may result in disallowed expenditures. Any future disallowances of current grant program expenditures, if any, would be immaterial.

On December 20, 2020, Westminster-Canterbury of the Blue Ridge filed a complaint for correction of erroneous assessments of real estate in the Circuit Court of Albemarle County. Westminster-Canterbury, the owner of the subject continuing care retirement community, challenged its 2017-22 tax assessments, alleging valuations in excess of fair market value. The complaint alleged that the County's valuation in those years ranges from 10% to 17% above the property's fair market value. The plaintiff voluntarily dismissed its lawsuit prior to the trial scheduled for December of 2022, but refiled prior to the six-month deadline. Trial is now scheduled for January 8-12, 2024. The alleged values, if proven, would result in a refund (including interest) of over $1.1 million. The County has no identified insurance coverage for the claims arising from the allegations.

There are a number of matters of litigation involving the County's public safety departments and certain employees of those departments. All of such matters have been referred to the County's insurance carrier, which is handling them. Counsel to the County is of the opinion that the County has no anticipated liability in such matters other than financial responsibility to the insurance carrier.

Post-Employment Benefits Other Than Pensions (OPEB) – Medical and Life Insurance

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. Participants may choose a cash payment or continue their County medical/dental benefits at the employee premium rate. The County will contribute the employer portion toward the medical premium. 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 have a separate financial report.

The County establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

The County and School Board's total OPEB liability was measured as of June 30, 2021, using an actuarial valuation as of that date. The County and School Board's total OPEB liability at June 30, 2021, using an actuarial valuation as of that date, was $12,622,167 and $27,731,527, respectively.

See Note 19 to the County's audited financial statements attached as Appendix D *for more information related to OPEB - Medical and Life Insurance.*

Self-Insurance/Risk Management

The County offers health and dental insurance benefits through a self-insured fund. Eligible employees are offered medical and dental benefits administered through a third-party, private carrier. The County is billed directly for actual claims and expenses incurred. Stop Loss Insurance protects the County against catastrophic losses and excess claims. The Plan Administrator of the Self-Funded Group Medical and Dental Benefit Plan - a Steering Committee composed of leaders from both the County and Albemarle County Public Schools - sets the premiums collected each Plan Year in the form of payroll deductions and employer contributions. According to the Healthcare Plan and Self-Insurance Fund Management Plan, the reserve balance shall be maintained in the range of two to four months' claims. The County and the School Board contract with VACORP and the School System of Virginia/United Heartland to provide workers' compensation coverages. The associations may assess all members based on the proportion that their premium bears to the total premium of all members should the association suffer a deficit and depletion of all its assets.

Auto liability, property, employee crime and dishonesty, general and excess liability, public officials, and law enforcement liability coverages are provided through VACORP for both the County and the School Board.

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Capital Improvement Plan

The Capital Improvement Plan (CIP) addresses the County's long-term capital needs for the ensuing five-year period. The following table summarizes the CIP adopted for the Fiscal Years ending June 30, 2024 through 2028.

Capital Improvement Plan
Fiscal Year Ended June 30

	2024	2025	2026	2027	2028	Total
Sources:						
Cash Equity: Ongoing & One-Time	$11,514,724	$25,246,658	$19,238,081	$16,782,697	$20,839,670	$ 93,621,831
Local Revenue	5,097,680	2,611,452	2,343,334	2,417,292	2,184,900	14,654,658
Planned Borrowed Proceeds	32,872,107	62,882,206	23,500,243	26,929,766	61,228,627	207,412,949
Proffer Revenue	1,189,063	966,122	--	--	--	2,155,185
State Revenue	270,000	270,000	270,000	270,000	270,000	1,350,000
Transfers	99,009	15,000	15,000	15,000	15,000	159,009
Total CIP Revenues	$51,042,583	$91,991,438	$43,366,658	$46,414,755	$84,538,197	$319,353,632
Uses:						
Administration	$ 4,414,100	$ 1,616,200	$ 1,856,400	$ 982,000	$ 907,060	$ 9,775,760
Judicial	5,000,000	-	-	-	-	5,000,000
Public Safety	4,600,414	3,601,602	3,863,900	3,498,959	534,229	16,099,104
Public Works	5,446,629	5,494,890	5,735,750	4,888,797	4,064,473	25,630,539
Parks, Recreation, & Culture	3,581,904	4,155,115	700,394	3,163,995	-	11,601,408
Community Development	1,956,465	13,899,760	9,600,000	8,100,000	7,100,000	40,656,225
Other*	2,819,271	3,597,553	2,848,665	3,011,082	3,793,351	16,069,923
Public Schools	23,223,800	59,626,318	20,761,549	22,769,922	68,139,084	194,520,673
TOTAL USES	**$51,042,583**	**$91,991,438**	**$45,366,658**	**$46,414,755**	**$84,538,197**	**$319,353,632**

Subsequent to the adoption of the CIP, the County decided to acquire the real property for the Rivanna Station project, which will be funded with proceeds of the Series 2023B Notes. *See the section above "Albemarle County's Investments in Economic Development."*

Investment Policies and Practices

It is the policy of the County to invest public funds in a manner that will safely preserve principal, provide adequate liquidity to meet the County's cash flow needs and optimize returns while conforming to all federal, state and local statutes governing the investment of public funds. The County conducts an analysis of cash flow needs on an annual basis. Disbursements, collections and deposits of all funds are scheduled to ensure maximum cash availability and investment potential. Contractual consolidated banking services are reviewed regularly and procured in accordance with the Virginia Public Procurement Act. The Chief Financial Officer is required to maintain a system of internal controls for investments (the "Investment Policy"), which is documented in writing and subject to review by the County's independent auditor.

The Chief Financial Officer is responsible for the investment of the County's operating and bond funds. The Chief Financial Officer invests the County's funds using internal staff, investment advisors and consultants involved in investment management for the operation of the County's investment program. All investment securities purchased by the County are held by a third-party custodian, whenever applicable, designed by the Chief Financial Officer and evidenced by safekeeping receipt. As required by the Code of Virginia of 1950, as amended (the "Virginia Code"), all security holdings with maturities over 30 days are not permitted to be held in safekeeping with the "counterparty" to the investment transaction. The Virginia Code refers to a counterparty as the issuer or seller of the security and any repurchase agreement provider. Management of the County's investments portfolio is the responsibility of the Investment Committee. The Investment Committee meets not less than quarterly for the purpose of reviewing investment results and future investment plans.

Investments are selected on a competitive basis, when possible, to ensure that the County receives the best price available on a particular investment and avoids paying excessive fees, mark-ups or other compensation to the provider. Copies of the County's investment policy are available upon request from the Chief Financial Officer.

For more information about the Investment Policy, see Note 2 to the County's audited financial statements attached as Appendix D.

DEBT MANAGEMENT

Pursuant to the Constitution of Virginia and the Public Finance Act of 1991, a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of principal of and premium, if any, and interest on such bonds, the governing body of the County is authorized and required to levy on all taxable property within the County such ad valorem taxes as may be necessary. Although the issuance of bonds by Virginia counties is not subject to any limitation on amount, counties are prohibited from issuing general obligation bonds unless the issuance of such bonds has been approved by public referendum except for certain bonds issued for school purposes.

Counties may, with voter approval, elect to be treated as cities for the purpose of incurring debt which would then allow the issuance of bonds without voter approval in an aggregate principal amount of up to 10% of the assessed valuation of the real estate in the county subject to taxation. However, the County has not elected to be treated as a city for this purpose.

Debt Ratios

The key debt ratios of the net general bonded debt of the County are presented in the following table.

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita

Fiscal Year	Real Estate Assessed Value(1)	Net Bonded Debt(3)	Net General Bonded Debt as % of Assessed Value	Net Bonded Debt Per Capita(2)
2013	$14,734,853,452	$91,106,736	0.62%	$897
2014	14,931,099,687	82,696,120	0.55	805
2015	15,467,280,583	84,021,531	0.54	810
2016	16,059,836,557	66,133,135	0.41	630
2017	16,719,336,669	91,218,535	0.55	863
2018	17,543,064,000	79,450,000	0.45	738
2019	18,459,193,250	71,930,000	0.39	662
2020	19,457,789,000	64,670,000	0.33	592
2021	20,300,083,000	57,515,000	0.28	520
2022	21,673,254,000	50,430,000	0.23	444

Source: The County's Annual Comprehensive Financial Report for Fiscal Year 2022.

(1) Real estate net of exemptions for land use deferral and tax relief for the elderly/disabled.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics – Table 13 of the County's Comprehensive Annual Financial Report for Fiscal Year 2022.

(3) Includes all long-term general obligation bonded debt, literary fund loans and a portion of unamortized bond premiums related to the general obligation debt.

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Debt Service Requirements

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

Debt Service Requirements on Long-Term Debt to Maturity
As of June 30, 2023

Year	Existing Long-Term Debt								
Ending	Lease Revenue and Other Appropriation-Based Long-Term Debt			General Obligation Debt Service			Total Debt Service		
June 30	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$ 9,280,412	$ 4,744,959	$ 14,025,370	$ 5,680,000	$1,827,681	$ 7,507,681	$ 14,960,412	$ 6,572,640	$ 21,533,051
2025	9,583,003	4,290,680	13,873,683	5,415,000	1,566,153	6,981,153	14,998,003	5,856,832	20,854,835
2026	9,956,140	3,922,953	13,879,093	5,035,000	1,320,146	6,355,146	14,991,140	5,243,099	20,234,239
2027	8,079,834	3,500,330	11,580,164	4,740,000	1,090,609	5,830,609	12,819,834	4,590,939	17,410,773
2028	7,994,098	3,127,085	11,121,182	3,985,000	883,854	4,868,854	11,979,098	4,010,939	15,990,036
2029	8,326,761	2,759,643	11,086,404	3,500,000	708,769	4,208,769	11,826,761	3,468,411	15,295,172
2030	8,329,040	2,395,465	10,724,505	2,180,000	579,316	2,759,316	10,509,040	2,974,781	13,483,821
2031	7,905,000	2,044,081	9,949,081	2,230,000	472,626	2,702,626	10,135,000	2,516,708	12,651,708
2032	8,250,000	1,689,119	9,939,119	1,790,000	371,181	2,161,181	10,040,000	2,060,300	12,100,300
2033	7,915,000	1,360,119	9,275,119	1,845,000	317,481	2,162,481	9,760,000	1,677,600	11,437,600
2034	6,210,000	1,042,850	7,252,850	1,900,000	262,131	2,162,131	8,110,000	1,304,981	9,414,981
2035	6,400,000	850,638	7,250,638	1,965,000	200,381	2,165,381	8,365,000	1,051,019	9,416,019
2036	6,030,000	650,925	6,680,925	2,025,000	136,519	2,161,519	8,055,000	787,444	8,842,444
2037	4,860,000	458,925	5,318,925	2,095,000	70,706	2,165,706	6,955,000	529,631	7,484,631
2038	3,725,000	306,900	4,031,900	-	-	-	3,725,000	306,900	4,031,900
2039	3,795,000	232,400	4,027,400	-	-	-	3,795,000	232,400	4,027,400
2040	3,875,000	156,500	4,031,500	-	-	-	3,875,000	156,500	4,031,500
2041	3,950,000	79,000	4,029,000	-	-	-	3,950,000	79,000	4,029,000
Total	**$124,464,287**	**$33,612,570**	**$158,076,857**	**$44,385,000**	**$9,807,554**	**$54,192,554**	**$168,849,287**	**$43,420,123**	**$212,269,411**

Source: Chief Financial Officer, Albemarle County, Virginia.

Expected annual requirements to amortize long-term debt and related interest upon the issuance of the Series 2023 Bonds are as follows:

Debt Service Requirements on Long-Term Debt to Maturity
As of June 30, 2023
(Plus Series 2023 Bonds)

		Series 2023 Bonds			
Fiscal Year	**Debt Service on Long-Term Debt**	**Principal**	**Interest**	**Debt Service on Series 2023 Bonds**	**Total Debt Service**
2024	$ 21,533,051	-	$ 4,673,674	$ 4,673,674	$ 26,206,725
2025	20,854,835	-	8,584,300	8,584,300	29,439,135
2026	20,234,239	$ 6,075,000	8,584,300	14,659,300	34,893,539
2027	17,410,773	6,075,000	8,280,550	14,355,550	31,766,323
2028	15,990,036	64,925,000	7,976,800	72,901,800	88,891,836
2029	15,295,172	6,075,000	4,554,000	10,629,000	25,924,172
2030	13,483,821	6,075,000	4,250,250	10,325,250	23,809,071
2031	12,651,708	6,075,000	3,946,500	10,021,500	22,673,208
2032	12,100,300	6,075,000	3,642,750	9,717,750	21,818,050
2033	11,437,600	6,075,000	3,339,000	9,414,000	20,851,600
2034	9,414,981	6,075,000	3,035,250	9,110,250	18,525,231
2035	9,416,019	6,070,000	2,731,500	8,801,500	18,217,519
2036	8,842,444	6,070,000	2,428,000	8,498,000	17,340,444
2037	7,484,631	6,070,000	2,124,500	8,194,500	15,679,131
2038	4,031,900	6,070,000	1,821,000	7,891,000	11,922,900
2039	4,027,400	6,070,000	1,517,500	7,587,500	11,614,900
2040	4,031,500	6,070,000	1,214,000	7,284,000	11,315,500
2041	4,029,000	6,070,000	910,500	6,980,500	11,009,500
2042	-	6,070,000	607,000	6,677,000	6,677,000
2043	-	6,070,000	303,500	6,373,500	6,373,500
	$212,269,411	**$168,155,000**	**$74,524,874**	**$242,679,874**	**$454,949,285**

Note: Indicates gross debt service requirements. Actual debt service payments may be less depending on earnings received on the investment moneys on deposit in the Debt Service Reserve Fund and other funds used under the Trust Agreement.

Debt Issued Since June 30, 2023

Other than in connection with the proposed Series 2023A Bonds and the Series 2023B Notes, the County has not incurred any new long-term indebtedness since June 30, 2023.

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | Consultants

Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of Albemarle, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Albemarle, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Albemarle, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Albemarle, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement Nos. 87, *Leases and* 92, *Omnibus*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Albemarle, Virginia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Albemarle, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Albemarle, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal* Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023, on our consideration of County of Albemarle, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Albemarle, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Albemarle, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
February 6, 2023

The County of Albemarle presents the following discussion and analysis as an overview of the financial activities of the County for fiscal year ending June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements that follow this section.

FINANCIAL HIGHLIGHTS FOR THE YEAR

Government-wide Statements (Full Accrual Accounting)

- The County's total assets and deferred outflows of resources, excluding its component unit, totaled $413,706,625. Liabilities and deferred inflows of resources totaled $307,968,639. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $105,737,986, of which $86,486,248 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

- The County's total net position increased $41,885,981 from the prior year, which primarily resulted from a decrease of $37,477,649 in Education program expenses compared to 2021. Operating grants and contributions decreased $17,496,278 from 2021, but total increases of $26,460,397 from General Property Taxes, Real and Personal and Other taxes offset this decrease.

Fund Financial Statements (Modified Accrual Accounting)

- As of June 30, 2022, the County's governmental funds reported combined fund balances of $125,160,457, an increase of $12,930,156 compared to the prior year. Approximately 48.18% of the combined fund balances, $60,299,825, is unassigned and available to meet the County's current and future needs.

- The General Fund reported a fund balance of $74,239,428, a decrease of $7,280,332 from June 30, 2021. A portion of this decrease can be attributed to an increase in Deferred Inflows of Resources of $3,012,139 and an increase in Total Liabilities of $2,562,420. Federal/State Grant Funds reported a fund balance of $8,170,829; the General Capital Improvements Fund reported a fund balance of $28,934,031; and Other Governmental Funds reported $13,816,169 in total fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report consists of four sections: introductory, financial, statistical, and compliance.

- The *introductory section* includes the transmittal letter, the County's organizational chart, a list of principal officers and a copy of the 2021 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association.

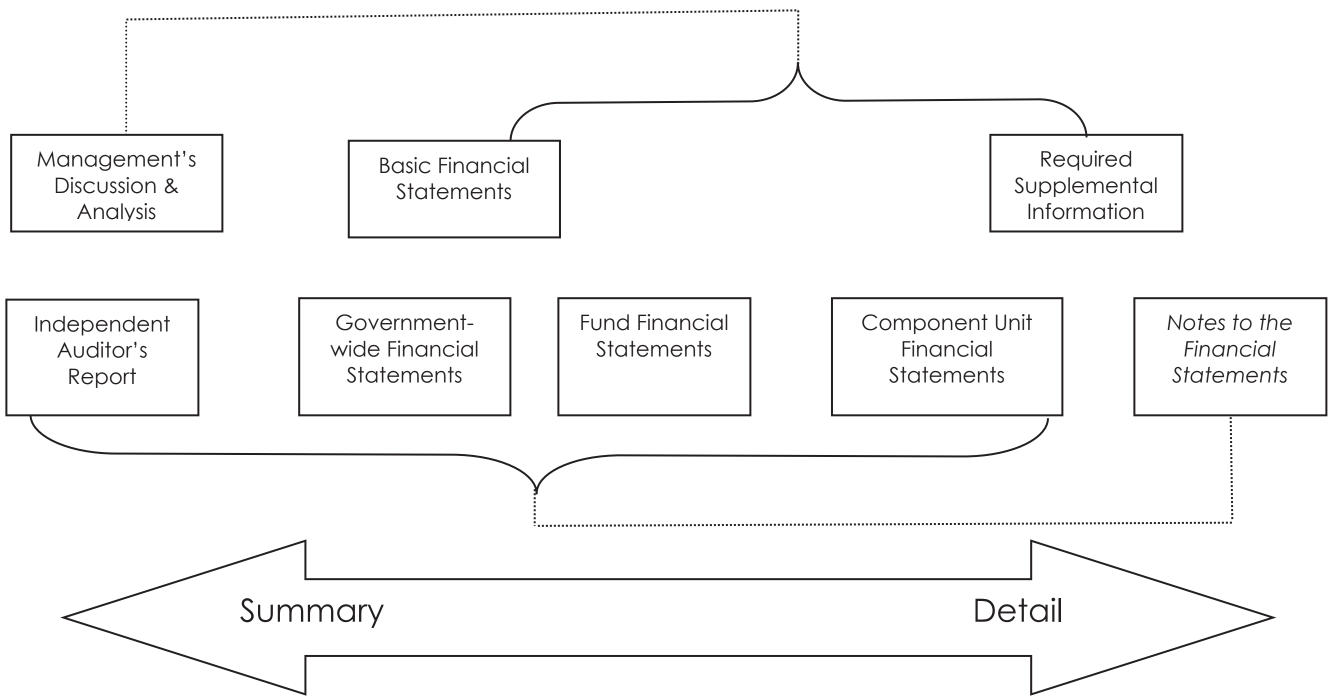
- The *financial section* has five component parts – the independent auditor's report, management's discussion and analysis (this section), the basic financial statements (which include government-wide financial statements and fund financial statements), required supplementary information, and other supplementary information.

- The *statistical section* includes selected financial and demographic data related to the County, generally presented on a multi-year basis.

- The *compliance section* is required under the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget guidance in Title 2 of the Code of Federal Regulations, Part 200 of the Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and includes the auditors' reports on compliance and internal controls.

Components of the Financial Section



Local government financial reports consist of two kinds of statements, each with a different view of the County's finances. The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. The basic financial statements also contain notes to explain, in greater detail, the information found in the financial statements.

Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net position and how they have changed during the fiscal year.

The first government-wide statement – the Statement of Net Position – presents information on all of the County's assets and liabilities. The difference between assets and liabilities, net position, can be used as one way to measure the County's financial condition. Over time, increases or decreases in the net position can be one indicator of whether the County's financial condition is improving or deteriorating. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of County facilities.

The second statement – the Statement of Activities – also uses the accrual basis accounting method and shows how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in the Statement of Activities, regardless of when cash is received or paid.

OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)

Government-wide Financial Statements: (Continued)

The government-wide statements are divided into the following three categories:

Governmental Activities: Most of the County's basic services are reported here, including general administration, judicial administration, public safety, public works, health and welfare, education, parks and recreation, and community development. These activities are financed primarily by property taxes, other local taxes, and federal and state grants. Governmental funds and internal service funds are included in the governmental activities.

Business-type Activities: Albemarle County does not have any business-type activities.

Discretely Presented Component Unit: The County includes the Albemarle County Public Schools in its annual financial report. Although a legally separate entity, this component unit is included in the County's financial report because the School System is fiscally dependent on the County.

Fund Financial Statements

Traditional users of government financial statements will find the fund financial statements more familiar. These statements provide more detailed information about the County's most significant funds. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenues and expenses for particular purposes. The County has three kinds of funds:

Governmental Funds – Most of the County's basic services are included in governmental funds. Governmental funds utilize the modified accrual basis of accounting, which focuses on (1) how cash and other financial assets that can readily be converted to cash and (2) the balances remaining at year-end that are available to meet current financial needs. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are financial resources that can be spent in the near future to finance the County's programs. Additional exhibits provide a reconciliation of the fund financial statements to the government-wide statements because they do not include information on long-term assets and liabilities. The General Fund is the main operating account of the County and therefore, the largest of the governmental funds. All other governmental funds, which include special revenue funds, capital project funds and debt service funds, are collectively referred to as non-major governmental funds. The Federal and State Grants Fund and General Capital Improvements Fund (capital projects) are considered to be major funds.

Proprietary Funds – Proprietary funds, which consist of enterprise funds and internal service funds, operate in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements provide both long and short-term financial information. The County does not have an enterprise fund but does have six internal service funds: health insurance fund, dental plan pool fund, duplicating fund, facilities development fund, computer replacement fund and vehicle replacement fund. These funds are funded by charging County departments and the School Board on a cost reimbursement basis.

Fiduciary Funds – Fiduciary funds are used to account for resources held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the funds are not available to support the County's programs. The County's fiduciary funds consist of private purpose trust funds and custodial funds. The funds are used to account for monies received, held, and disbursed on behalf of certain developers, housing programs, recipients of scholarship funds, the Commonwealth of Virginia, and certain other agencies and governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary of Net Position
As of June 30, 2022 and 2021
($ in thousands)

	Governmental Activities		Component Unit		Total Reporting Entity	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets:						
Current and other assets	$ 186,794	$ 163,260	$ 78,371	$ 88,602	$ 265,165	$ 251,862
Capital assets (net)	207,009	194,502	68,010	64,195	275,019	258,697
Total assets	$ 393,803	$ 357,762	$ 146,381	$ 152,797	$ 540,184	$ 510,559
Deferred outflows of resources	$ 19,904	$ 21,660	$ 43,346	$ 50,986	$ 63,250	$ 72,646
Total assets and deferred outflows of resources	$ 413,707	$ 379,422	$ 189,727	$ 203,783	$ 603,434	$ 583,205
Liabilities:						
Other liabilities	$ 30,499	$ 18,635	$ 26,851	$ 25,393	$ 57,350	$ 44,028
Long-term Liabilities	244,231	291,162	149,272	235,113	393,503	526,275
Total liabilities	$ 274,730	$ 309,797	$ 176,123	$ 260,506	$ 450,853	$ 570,303
Deferred inflows of resources	$ 33,238	$ 5,773	$ 78,477	$ 12,998	$ 111,715	$ 18,771
Net Position:						
Net investment in capital assets	$ 11,081	$ 7,115	$ 68,010	$ 64,195	$ 79,091	$ 71,310
Restricted	8,171	5,075	-	-	8,171	5,075
Unrestricted	86,487	51,662	(132,883)	(133,916)	(46,396)	(82,254)
Total net position	$ 105,739	$ 63,852	$ (64,873)	$ (69,721)	$ 40,866	$ (5,869)
Total liabilities, deferred inflows of resources and net position	$ 413,707	$ 379,422	$ 189,727	$ 203,783	$ 603,434	$ 583,205

The Commonwealth of Virginia requires that counties, as well as their fiscally dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public school facilities, for their component units. For the purpose of this financial statement, the debt and correlating asset (or portion therefore) is recorded as an asset and long-term liability of the primary government. GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE: (CONTINUED)

Statement of Activities:

The following table presents revenues and expenses of governmental activities:

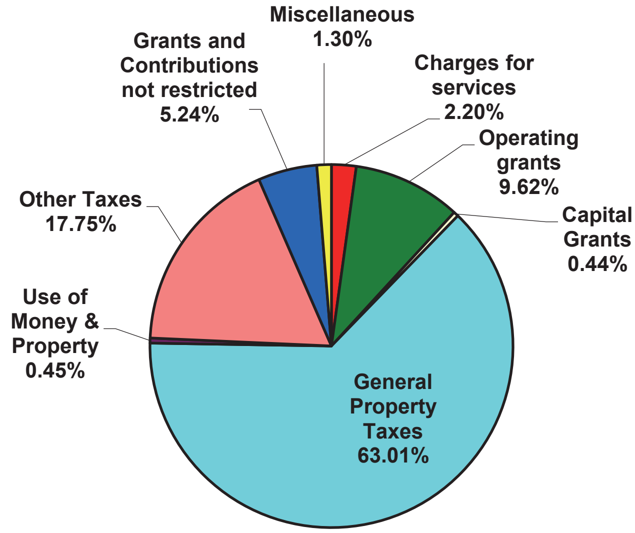
Changes in Net Position
For the Fiscal Year Ended June 30, 2022 and 2021
($ in thousands)

	Governmental Activities 2022	Governmental Activities 2021	Total % Change 2022-2021
Revenues:			
Program Revenues:			
Charges for services	$ 8,169	$ 6,539	24.93%
Operating grants and contributions	35,701	53,198	-32.89%
Capital grants and contributions	1,625	460	253.26%
General Revenues:			
General property taxes, real and personal	233,882	216,284	8.14%
Other taxes	65,908	57,045	15.54%
Grants and contributions not restricted	19,456	19,403	0.27%
Use of money and property	1,661	1,666	-0.30%
Miscellaneous revenue	4,808	1,488	223.12%
Total Revenues	$ 371,210	$ 356,083	4.25%
Expenses:			
General government	$ 20,656	$ 22,664	-8.86%
Judicial administration	5,048	7,007	-27.96%
Public safety	57,490	56,437	1.87%
Public works	13,797	11,532	19.64%
Health and welfare	35,224	37,347	-5.68%
Education	147,596	185,074	-20.25%
Parks, recreation, and cultural	9,775	10,618	-7.94%
Community Development	34,627	35,292	-1.88%
Interest on long-term debt	5,111	5,754	-11.17%
Total Expenses	$ 329,324	$ 371,725	-11.41%
Increase (decrease) in net position	$ 41,886	$ (15,642)	-367.78%
Beginning net position	63,852	79,494	-19.68%
Ending net position	$ 105,738	$ 63,852	65.60%

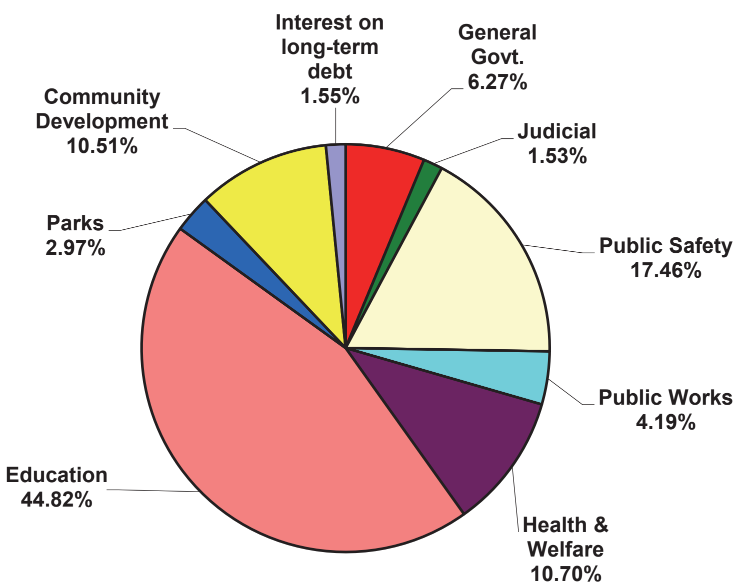
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE: (CONTINUED)

Governmental Activities - Revenues by Source
For the Fiscal Year Ended June 30, 2022

Total net position for Governmental activities increased $41,885,981 with an ending net position of $105,737,986. Revenues from governmental activities totaled $371,210,184 for FY 2022 compared to FY 2021 revenues from governmental activities of $356,082,836. Taxes comprise the largest source of these revenues, totaling $299,789,072 or 80.76%. Of this amount, general property taxes comprise 78.01% of the taxes collected, totaling $233,881,733.



Governmental Activities - Expenses by Function
For the Fiscal Year Ended June 30, 2022



The total cost of all governmental activities for this fiscal year was $329,324,203. As the chart to the left illustrates, Education continues to be the County's largest program with expenses totaling $147,596,404. Public Safety expenses, which total $57,489,744, represents the second largest expense, followed by Health and Welfare at $35,223,630, Community Development at $34,627,418, and General Government Administration at $20,655,655.

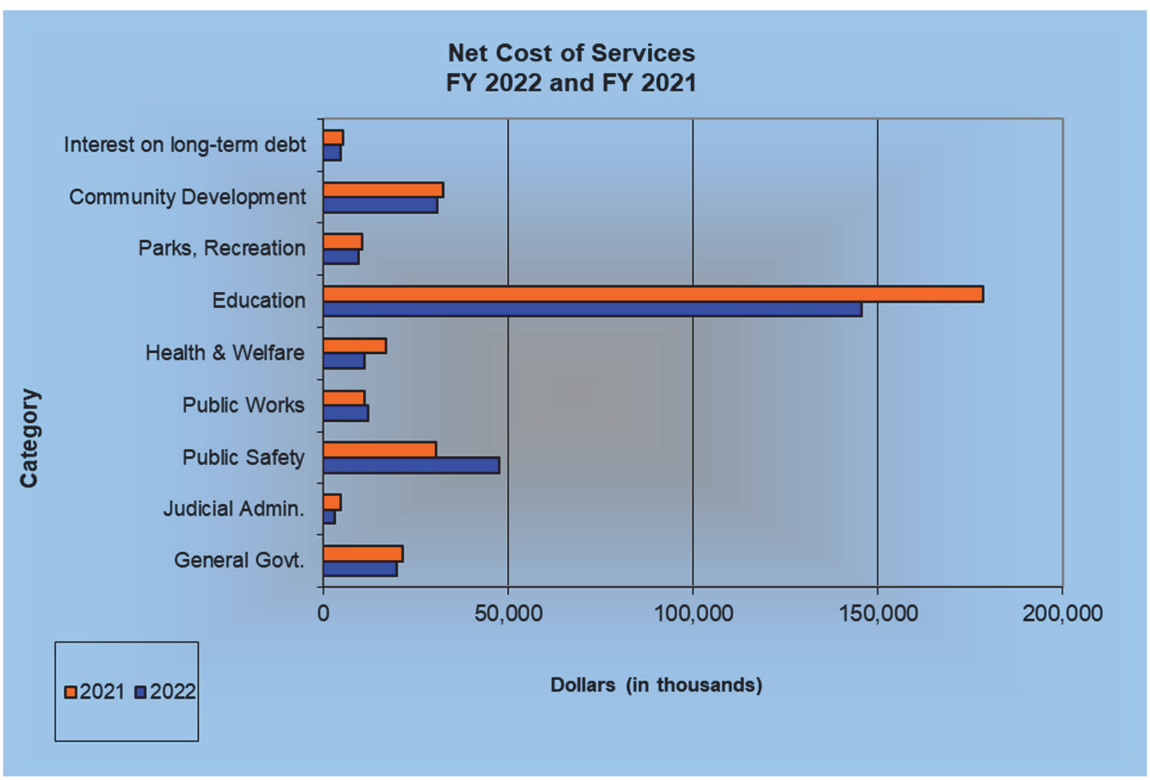
FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE: (CONTINUED)

For the County's governmental activities, the net expense (total cost less associated fees and program-specific governmental aid) is illustrated in the following table.

Total Cost and Net Cost of Governmental Activities
For the Fiscal Year Ended June 30, 2022 and 2021

	Total Cost of Services			Net Cost of Services		
	2022	2021	Percentage Change	2022	2021	Percentage Change
General government	$ 20,655,655	$ 22,663,518	-8.86%	$ 19,819,128	$ 21,569,733	-8.12%
Judicial administration	5,048,125	7,006,895	-27.95%	3,103,584	4,634,302	-33.03%
Public safety	57,489,744	56,437,283	1.86%	47,451,804	30,465,985	55.75%
Public works	13,797,269	11,531,644	19.65%	11,981,360	11,022,772	8.70%
Health & welfare	35,223,630	37,346,963	-5.69%	11,229,653	16,978,431	-33.86%
Education	147,596,404	185,074,053	-20.25%	145,455,221	178,576,074	-18.55%
Parks, recreation & cultural	9,775,450	10,618,313	-7.94%	9,439,554	10,543,853	-10.47%
Community development	34,627,418	35,292,202	-1.88%	30,701,031	32,309,558	-4.98%
Interest on long-term debt	5,110,508	5,753,837	-11.18%	4,646,795	5,426,942	-14.38%
Total	$ 329,324,203	$ 371,724,708	-11.41%	$ 283,828,130	$ 311,527,650	-8.89%

For the year ended June 30, 2022, governmental activities generated $8,169,480 in program revenues from users of services provided by the activity, as compared to $6,539,074 for FY 2021. The largest percentage of these charges were generated by Community Development with 44.29%, while Public Safety generated 42.85% of charges for services program revenue. Operating grant and contribution revenues decreased to $35,701,494 compared to $53,197,772 in FY 2021, with 93.84% of the decrease from Public Safety, or $16,419,089, caused by the reduction in CARES funding of $14,155,751 from 2021. Capital grant and contribution revenues totaled $1,625,099, which increased by $1,164,887 when compared to 2021.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As of June 30, 2022, the County's governmental funds reported a combined ending fund balance of $125,160,457, an increase of $12,930,156 in comparison with the prior year. Approximately 48.18% ($60,299,825) is available for spending at the government's discretion (unassigned fund balance). The remainder of fund balance is non-spendable ($297,809); restricted ($9,816,778); or committed ($54,746,045). For further details on Fund Balance, please refer to Exhibit 3 located in the Fund Financial statements section.

The General Fund contributed $159.4 million in operating funds to support Schools' operations.

The State and Federal Grants fund reported a fund balance of $8,170,829 at June 30, 2022, an increase of $3,096,116 from FY 2021. Total revenues for FY 2022 were $16,212,694 compared to $17,659,097 in total expenditures for FY 2022.

The County's CARES ACT fund reported $4,123,132 in revenues for COVID-19 related expenditures in FY 2022.

In the General Capital Improvement Fund, the County expended $18.7 million in FY 2022. Approximately $300,000 of those expenditures was contributed to the School Board for School Capital Projects and $18,158,925 was expensed for Capital Projects.

BUDGETARY HIGHLIGHTS

General Fund

The following table provides a comparison of the original budget, final budget and actual revenues and expenditures in the general fund:

Budgetary Comparison
General Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	$ 268,404,838	$ 290,852,201	$ 296,701,153
Other	8,876,114	10,048,428	11,786,833
Intergovernmental	31,979,220	32,662,891	35,299,046
Total	$ 309,260,172	$ 333,563,520	$ 343,787,032
Expenditures:			
Expenditures	286,245,529	313,366,482	300,099,074
Excess (deficit) of revenues over expenditures	$ 23,014,643	$ 20,197,038	$ 43,687,958
Other Financing Sources (Uses):			
Transfers in	$ 10,835,942	$ 34,939,806	$ 4,195,745
Transfers out	(33,850,585)	(55,136,844)	(55,164,035)
Total	$ (23,014,643)	$ (20,197,038)	$ (50,968,290)
Change in Fund Balance	$ -	$ -	$ (7,280,332)
Fund balance, beginning of year	-	-	81,519,760
Fund balance, end of year	$ -	$ -	$ 74,239,428

BUDGETARY HIGHLIGHTS: (Continued)

General Fund: (Continued)

Actual revenues were $10,223,512, or 3.1% more than final budgeted amounts and actual expenditures were $13,267,408, or 4.2% less than final budgeted amounts. Highlights of the comparison between final budgeted amounts and actual figures for fiscal year ended June 30, 2022, include the following:

- Actual general property tax revenues exceeded budgeted amounts by $4,929,898 due to a better-than-expected real estate market and collection efforts of current and delinquent taxes which were not impacted by the pandemic as the County had originally anticipated.

- Actual revenues from the Commonwealth exceeded budgeted amounts by $2,339,405.

- Actual revenues from the Federal Government were $296,750 more than budgeted due to greater than anticipated reimbursement rates related to Social Service expenditures.

- Actual general government administration expenditures were $2,255,651 less than budgeted, Public Safety expenditures were $2,354,708 less than budgeted, and Community Development were $937,029 less than budgeted primarily because of attrition during FY 22 and uncompleted projects carried forward to FY 2023.

- Actual education expenditures were $1,197,321 more than budgeted.

Final budgeted revenues were $24,303,348 or 7.23% more than the original budgeted amounts, and final budgeted expenditures were $27,120,953, or 8.61%, more than the original budgeted amounts. Highlights of the comparison of the original budget to final budgeted figures for fiscal year ended June 30, 2022, include the following:

- Final budgeted expenditures for General Government Administration increased from the original budget by $4,310,996. $412,652 of the increase was for Information Technology expenditures, $1,770,126 was related to County Executive departmental expenditures, $143,209 was related to Board of Supervisors expenditures, $602,299 was for Human Resources departmental expenditures, $220,816 was related to County Attorney expenditures, $910,053 was for Finance departmental expenditures, and $251,811 of was for Voter Registration expenditures.

- The final budget for Public Works increased by $1,101,268 over the original budget. Of this amount, $975,293 of the increase was for Maintenance of Buildings and Grounds.

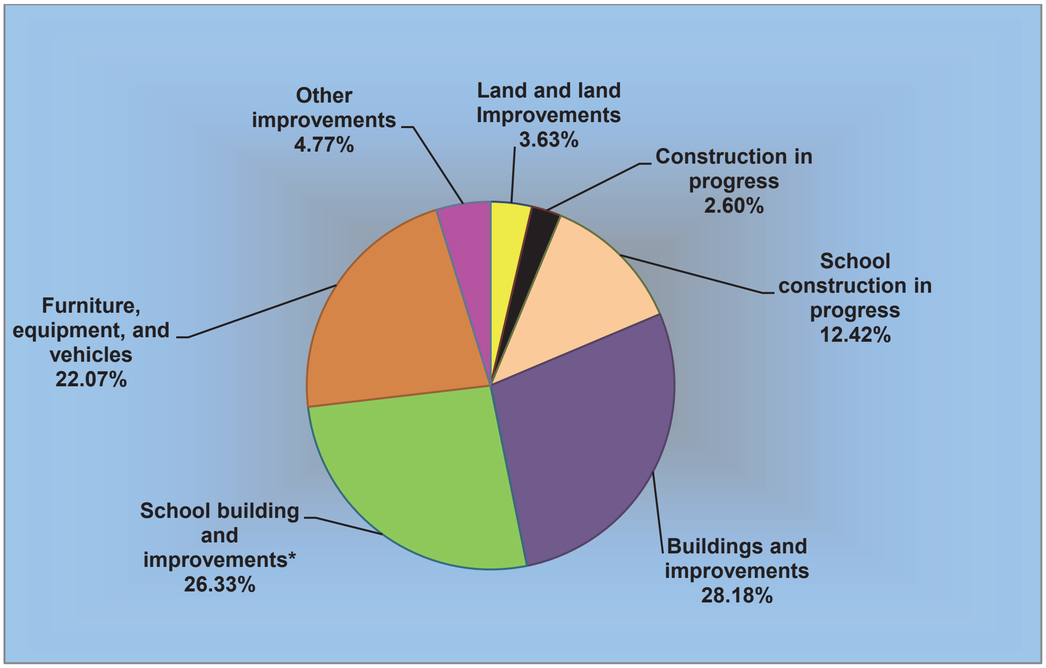
- The final budget for Education increased by $11,798,785 over the original budget for various School Capital Projects.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

As of June 30, 2022, the County's investment in capital assets totaled $207,009,046, an increase of $12,507,146 over 2021, and is summarized below:

Capital Assets as of June 30, 2022



During Fiscal Year 2022, the County's net capital assets (including additions, decreases, and depreciation) increased $14,179,504, as summarized below:

Change in Capital Assets
Governmental Funds

	Balance July 1, 2021	Net Additions and Deletions	Balance June 30, 2022
Land and land Improvements	$ 11,704,520	$ -	$ 11,704,520
Construction in progress	6,414,835	1,953,382	8,368,217
School land and construction in progress*	21,071,211	18,941,183	40,012,394
Buildings and improvements	90,744,936	16,182	90,761,118
School building and improvements*	96,223,070	(11,413,022)	84,810,048
Furniture, equipment, and vehicles	68,084,983	3,009,839	71,094,822
Other improvements	13,350,143	2,019,376	15,369,519
Total Capital Assets	$ 307,593,698	$ 14,526,940	$ 322,120,638
Less accumulated depreciation	(113,091,798)	(2,019,794)	(115,111,592)
Total capital assets, net	$ 194,501,900	$ 12,507,146	$ 207,009,046

CAPITAL ASSETS AND LONG-TERM DEBT: (Continued)

Capital Assets: (Continued)

* School Board capital assets are jointly owned by the County (primary government) and the component unit School Board. The County share of the School Board capital assets is in proportion to the debt owed on such assets by the County. The County reports depreciation on these assets as an element of its share of the costs of the public school system.

This year's major capital asset events included the following:

- On-going construction and renovations to Scottsville Elementary School and Red Hill Elementary School
- On-going work for a substantial addition and gym renovation at Crozet Elementary
- On-going work for window replacements at the County office building located at 401 McIntire Road
- Regular maintenance projects, school security, and technology upgrades
- Continued funding for the replacement of school buses and public safety apparatuses

More detailed information regarding capital assets can be found in Note 7 of the Notes to Financial Statements.

Long-term Debt

The change in the County's long-term obligations are summarized in the following chart:

Summary of Long-Term Obligation Changes
For the Fiscal Year Ended June 30, 2022

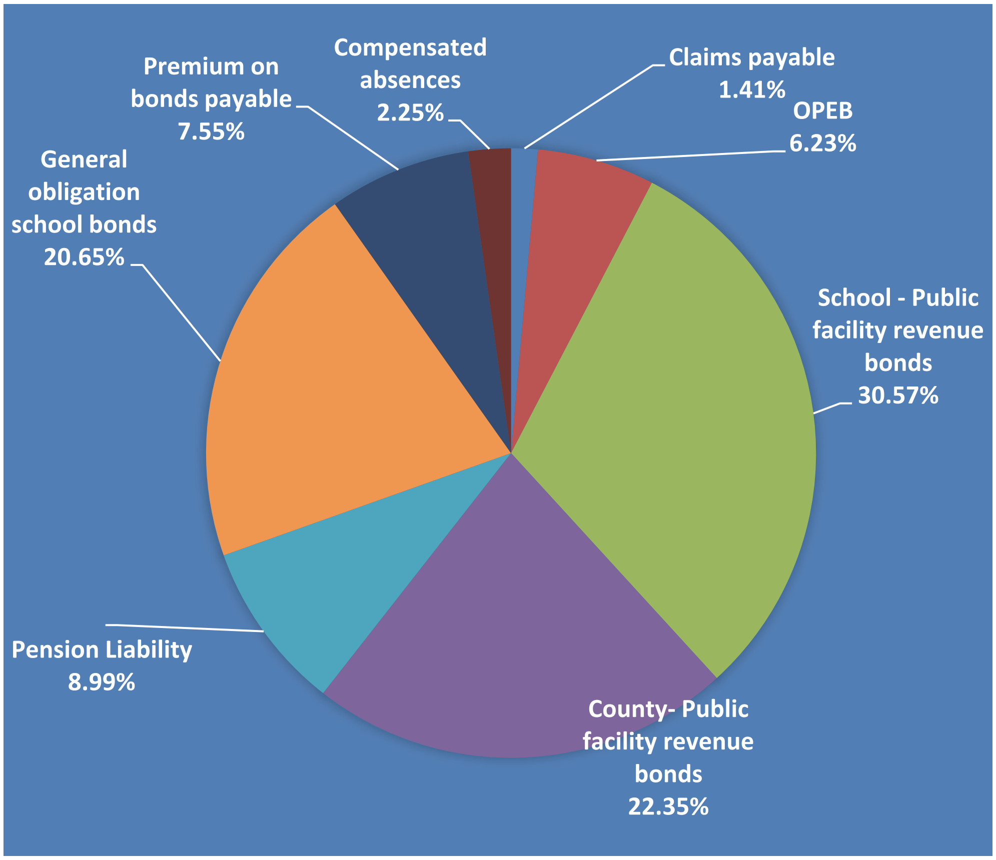
	Amounts Payable July 1, 2021	Net Increase (Decrease)	Amounts Payable June 30, 2022
Primary Government			
General obligation school bonds	$ 57,515,000	$ (7,085,000)	$ 50,430,000
School - Public facility revenue bonds	79,709,164	(5,042,396)	74,666,768
County - Public facility revenue bonds	61,600,837	(7,012,604)	54,588,233
Virginia Resource Authority	21,559	(21,559)	-
Premium on bonds payable	18,023,808	406,808	18,430,616
Claims payable	2,958,065	482,857	3,440,922
Net pension liability	48,760,745	(26,802,635)	21,958,110
Net OPEB obligations	17,493,556	(2,274,616)	15,218,940
Compensated absences	5,079,041	418,140	5,497,181
Total	$ 291,161,775	$ (46,931,005)	$ 244,230,770

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt: (Continued)

As of June 30, 2022, the County's long-term obligations total $244,230,770 and can be summarized as follows:

Long-Term Obligations
Primary Government as of June 30, 2022



The County has maintained a AAA credit and bond rating, the highest rating possible, from Moody's, S&P, and Fitch credit rating agencies. Albemarle is one of the smallest jurisdictions in the United States to achieve AAA ratings. Highly rated jurisdictions enjoy the most competitive interest rates on long-term borrowing, thus saving interest costs and benefiting the citizens of the County of Albemarle

General obligation indebtedness must be approved by voter referendum prior to issuance except for debt incurred from the State Literary Fund or the Virginia Public School Authority.

The Board of Supervisors has established the following policies relating to debt:

- The County will not fund current operations from the proceeds of borrowed funds.
- The County will manage its financial resources in a way that prevents borrowing to meet working capital needs.
- The County will confine long-term borrowing and capital leases to capital improvements or projects that cannot be financed by current revenues.

CAPITAL ASSETS AND LONG-TERM DEBT (CONTINUED)

Long-term Debt (Continued)

- To the extent feasible, any year that the debt service payment falls below its current level, those savings will be used to finance one-time capital needs.

- The County's debt offering documents will provide full and complete public disclosure of financial condition and operating results and other pertinent credit information in compliance with municipal finance industry standards for similar issues.

- Recognizing the importance of underlying debt to its overall financial condition, the County will set target debt ratios, which will be calculated annually and included in the annual review of fiscal trends:

    - Net debt as a percentage of the estimated market value of taxable property should not exceed 2%.
    - The ratio of debt service expenditures as a percent of general fund and school fund revenues should not exceed 10%.

- The County intends to maintain a 10-year payout ratio at or above 60% at the end of each adopted five-year CIP for tax supported debt and lease payments. When the County finances capital improvements or other projects through bonds or capital leases, it will repay the debt within a period not to exceed the expected useful life of the projects.

More detailed information on the County's long-term obligations is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The average unemployment rate for the County of Albemarle in June 2022 was 2.8%, compared to 3.9% a year ago. For the same period, Virginia's unemployment rate was 3.0% and the national unemployment rate was 3.8%.

- According to the U.S. Census Bureau, the population in Albemarle County was estimated at 113,535 as of July 1, 2021. This reflects a population growth of 14.7% since 2010.

- The fiscal year 2023 Adopted Budget anticipated general fund revenues and expenditures to be $368,284,588, a 17.0% increase over the fiscal year 2022 budget. The Adopted Budget revenue projections showed an anticipated increase in local revenues, especially in real estate property tax ($24.7 million, an increase of 14.3%) and local personal property taxes ($4.3 million, an increase of 13.4%). The County's transfer to fund education operations (including education debt service) continues to be the largest expenditure area at 49.8% of total expenditures, with public safety being the next largest at 14.5%.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Chief Financial Officer, County of Albemarle, 401 McIntire Road, Room 149 Charlottesville, VA 22902, telephone (434) 296-5855, or visit the County's web site at www.albemarle.org.

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BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
At June 30, 2022

		Governmental Activities		Component Unit School Board
Assets				
Cash and investments	$	140,060,050	$	57,066,448
Investments - restricted		1,645,949		274,327
Receivables (net of allowance for doubtful accounts) - Note 4		28,979,213		267,646
Leases receivable		317,938		-
Due from other governments - Note 5		15,158,009		16,125,818
Prepaid items		493,142		85,651
Inventories		139,541		470,027
Net pension asset		-		4,081,244
Capital assets - Note 7:				
Land and construction in progress		60,085,131		9,225,275
Other capital assets (net of accumulated depreciation)		146,923,915		58,784,262
Total capital assets, net	$	207,009,046	$	68,009,537
Total assets	$	393,802,888	$	146,380,698
Deferred Outflows of Resources:				
Deferred amount on refunding	$	267,204	$	-
Deferred items related to pension		17,887,064		36,696,546
Deferred items related to OPEB		1,749,469		6,649,975
Total deferred outflows of resources	$	19,903,737	$	43,346,521
Total assets and deferred outflows of resources	$	413,706,625	$	189,727,219
Liabilities				
Accounts payable and accrued liabilities	$	10,080,926	$	26,851,146
Amounts held for others		1,768,738		-
Accrued interest payable		1,043,513		-
Unearned revenue		17,606,309		-
Long-term liabilities - Note 8:				
Due within one year		22,566,292		1,652,473
Due in more than one year		221,664,478		147,619,779
Total liabilities	$	274,730,256	$	176,123,398
Deferred Inflows of Resources				
Deferred revenue - Note 9	$	5,040,626	$	-
Deferred items related to pension		24,354,006		70,671,700
Deferred items related to leases		307,272		-
Deferred items related to OPEB		3,536,479		7,805,543
Total deferred inflows of resources	$	33,238,383	$	78,477,243
Net Position				
Net investment in capital assets	$	11,080,909	$	68,009,537
Restricted:				
Grant compliance		8,170,829		-
Net pension asset		-		4,081,244
Unrestricted		86,486,248		(136,964,203)
Total net position	$	105,737,986	$	(64,873,422)
Total liabilities, deferred inflows of resources and net position	$	413,706,625	$	189,727,219

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

Statement of Activities
Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position	
					Primary Government	
Functions/Programs	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Primary Government						
Governmental activities						
General government administration	$ 20,655,655	$ 159,810	$ 676,717	$ -	$ (19,819,128)	$ -
Judicial administration	5,048,125	610,498	1,334,043	-	(3,103,584)	-
Public safety	57,489,744	3,500,292	6,537,648	-	(47,451,804)	-
Public works	13,797,269	-	190,810	1,625,099	(11,981,360)	-
Health and welfare	35,223,630	-	23,993,977	-	(11,229,653)	-
Education	147,596,404	-	2,141,183	-	(145,455,221)	-
Parks, recreation and cultural	9,775,450	280,282	55,614	-	(9,439,554)	-
Community development	34,627,418	3,618,598	307,789	-	(30,701,031)	-
Interest on long-term debt	5,110,508	-	463,713	-	(4,646,795)	-
Total governmental activities	$ 329,324,203	$ 8,169,480	$ 35,701,494	$ 1,625,099	$ (283,828,130)	$ -
Component Unit						
Albemarle County Public Schools	$ 240,363,806	$ 3,486,353	$ 92,323,244	$ 960,887	$ -	$ (143,593,322)

	Governmental Activities	Component Unit
General Revenues		
Taxes:		
General property taxes, real and personal	$ 233,881,733	$ -
Local sales and use taxes	22,446,273	-
Business licenses tax	15,355,367	-
Consumer utility taxes	4,761,328	-
Meals tax	10,217,608	-
Motor vehicle licenses tax	4,008,964	-
Other taxes	9,117,799	-
Payment from County of Albemarle:		
Education	-	144,513,727
Grants and contributions not restricted to specific programs	19,456,125	-
Unrestricted use of money and property	1,661,227	307,099
Miscellaneous	4,807,687	3,620,085
Total general revenues	$ 325,714,111	$ 148,440,911
Change in net position	$ 41,885,981	$ 4,847,589
Net position, beginning of year	63,852,005	(69,721,011)
Net position, end of year	$ 105,737,986	$ (64,873,422)

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

Fund Financial Statements

Balance Sheet
Governmental Funds
At June 30, 2022

	General Fund	Federal/ State Grants Fund	CARES ACT and ARPA Fund	General Capital Improve-ments	Other Govern-mental Funds	Total Govern-mental Funds
Assets						
Cash and investments	$ 61,665,044	$ 8,132,755	$ 17,586,235	$ 22,439,201	$ 13,628,627	$ 123,451,862
Investments - restricted	-	-	-	1,645,949	-	1,645,949
Property taxes receivable, (net of allowance for uncollectibles) - Note 4	17,360,037	-	-	-	-	17,360,037
Receivables, (net of allowance for uncollectibles) - Note 4	4,405,904	20,797	-	6,583,266	254,795	11,264,762
Leases receivable	317,938	-	-	-	-	317,938
Due from other governments - Note 5	12,017,180	2,415,407	-	725,422	-	15,158,009
Prepaid items	147,303	302,452	-	299	-	450,054
Inventories	139,541	-	-	-	-	139,541
Total assets	$ 96,052,947	$ 10,871,411	$ 17,586,235	$ 31,394,137	$ 13,883,422	$ 169,788,152
Liabilities						
Accounts payable and accrued liabilities	$ 4,799,058	$ 2,670,001	$ 10,507	$ 2,460,106	$ 67,253	$ 10,006,925
Unearned revenue	-	30,581	17,575,728	-	-	17,606,309
Amounts held for others	1,768,738	-	-	-	-	1,768,738
Total liabilities	$ 6,567,796	$ 2,700,582	$ 17,586,235	$ 2,460,106	$ 67,253	$ 29,381,972
Deferred Inflows of resources						
Unavailable revenue, property tax - Note 9	$ 13,963,259	$ -	$ -	$ -	$ -	$ 13,963,259
Unavailable revenue, leases	307,272	-	-	-	-	307,272
Unavailable revenue, opioid settlement	975,192	-	-	-	-	975,192
Total deferred inflows of resources	$ 15,245,723	$ -	$ -	$ -	$ -	$ 15,245,723
Fund Balance						
Nonspendable:						
Inventories and prepaid items	$ 286,844	$ -	$ -	$ 299	$ -	$ 287,143
Net leases receivable	10,666	-	-	-	-	10,666
Restricted:						
Grant compliance	-	8,170,829	-	-	-	8,170,829
Capital projects	-	-	-	1,645,949	-	1,645,949
Committed:						
General government administration	3,883,060	-	-	-	-	3,883,060
Judicial administration	375,471	-	-	-	-	375,471
Public safety	3,491,177	-	-	-	-	3,491,177
Public works	212,409	-	-	-	-	212,409
Health and welfare	50,000	-	-	-	-	50,000
Parks and recreation	55,000	-	-	-	-	55,000
Community development	1,193,873	-	-	-	-	1,193,873
Transfers, contingencies and refunds	2,234,866	-	-	-	-	2,234,866
General capital projects	-	-	-	27,287,783	-	27,287,783
Storm water projects	-	-	-	-	3,805,915	3,805,915
Special revenue	-	-	-	-	10,010,254	10,010,254
Education - School Reserve Fund	2,146,237	-	-	-	-	2,146,237
Unassigned	60,299,825	-	-	-	-	60,299,825
Total fund balance	$ 74,239,428	$ 8,170,829	$ -	$ 28,934,031	$ 13,816,169	$ 125,160,457
Total liabilities, deferred inflows of resources and fund balance	$ 96,052,947	$ 10,871,411	$ 17,586,235	$ 31,394,137	$ 13,883,422	$ 169,788,152

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
At June 30, 2022

Total fund balances for governmental funds (Exhibit 3)			$	125,160,457
Total net position reported for governmental activities in the statement of net position is different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:				
Land	$	11,704,520		
Construction in progress		8,368,217		
School Board construction in progress		40,012,394		
Buildings and improvements, net of accumulated depreciation		48,527,907		
Other improvements, net of accumulated depreciation		5,322,267		
Furniture, equipment and vehicles, net of accumulated depreciation		13,057,281		
School Board capital assets, net of accumulated depreciation		80,016,460		
Total net capital assets				207,009,046
Internal services funds are used by the County to charge the cost of health and dental insurance benefits, vehicle replacement and duplicating costs to individual funds and the School Board. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The internal service funds net position is:				13,490,767
Some of the County's property taxes will be collected after year-end but are not available soon enough to pay for the current year's expenditures and therefore, are reported as unavailable revenue in the funds.				8,922,633
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				
Deferred inflows related to pensions				(24,354,006)
Deferred inflows related to OPEB				(3,536,479)
Deferred inflows related to opioid settlement				975,192
Pension and OPEB contributions subsequent to the measurement date and other deferred outflows will be a reduction to the net pension and OPEB liabilities in the next fiscal year and, therefore, are not reported in the funds.				
Deferred outflows related to pensions				17,887,064
Deferred outflows related to OPEB				1,749,469
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Also, the County received a premium on its long-term debt issues and incurred defeasance costs when refunding debt. The premium and defeasance costs will be amortized over the life of the new bond issue as interest is paid. Balances of long-term liabilities affecting net position are as follows:				
Accrued interest payable	$	(1,043,513)		
General obligation bonds		(50,430,000)		
Public facility revenue and refunding bonds		(129,255,001)		
Net pension liability		(21,958,110)		
Net OPEB liabilities		(15,218,940)		
Unamortized bond premium		(18,430,616)		
Deferred amount on refunding		267,204		
Compensated absences		(5,497,181)		(241,566,157)
Total net position of governmental activities (Exhibits 1 and 2)			$	105,737,986

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	General Fund	Federal/ State Grants Fund	CARES ACT and ARPA Fund	General Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 232,723,027	$ -	$ -	$ -	$ -	$ 232,723,027
Other local taxes	63,978,126	-	-	-	1,929,213	65,907,339
Permits, privilege fees and regulatory licenses	3,605,609	-	-	-	20,505	3,626,114
Fines and forfeitures	310,213	-	-	-	-	310,213
Use of money and property	1,476,624	1,149	-	34,979	83,292	1,596,044
Charges for services	4,220,164	-	-	-	12,989	4,233,153
Miscellaneous	754,684	822,815	-	2,254,996	-	3,832,495
Recovered costs	1,419,539	117,002	-	6,790,999	-	8,327,540
Intergovernmental:						
Contribution from School Board	41,183	2,100,000	-	-	-	2,141,183
Commonwealth	27,685,472	7,889,543	-	1,004,204	740,503	37,319,722
Federal Government	7,572,391	5,282,185	4,123,132	263,950	80,155	17,321,813
Total revenues	$ 343,787,032	$ 16,212,694	$ 4,123,132	$ 10,349,128	$ 2,866,657	$ 377,338,643
Expenditures						
Current:						
General government administration	$ 20,283,697	$ 106,447	$ 96,886	$ -	$ -	$ 20,487,030
Judicial administration	6,254,372	2,268	41,984	-	-	6,298,624
Public safety	49,999,504	2,274,327	772,983	-	-	53,046,814
Public works	7,461,164	-	190,810	-	89,041	7,741,015
Health and welfare	20,849,841	11,219,602	2,662,680	-	-	34,732,123
Education - local community college	-	-	-	-	-	-
Education - public school system	159,350,640	-	-	300,000	-	159,650,640
Parks, recreation and cultural	8,751,407	25,000	50,000	-	-	8,826,407
Community development	25,969,194	4,031,453	307,789	-	202,832	30,511,268
Contingencies	1,179,255	-	-	-	-	1,179,255
Debt service:						
Principal payments	-	-	-	-	36,081,559	36,081,559
Interest and fiscal charges	-	-	-	258,821	7,733,298	7,992,119
Capital projects	-	-	-	18,158,925	64,634	18,223,559
Total expenditures	$ 300,099,074	$ 17,659,097	$ 4,123,132	$ 18,717,746	$ 44,171,364	$ 384,770,413
Excess (deficiency) of revenues over (under) expenditures	$ 43,687,958	$ (1,446,403)	$ -	$ (8,368,618)	$ (41,304,707)	$ (7,431,770)
Other financing sources (uses)						
Issuance of refunding bonds	$ -	$ -	$ -	$ -	$ 16,920,000	$ 16,920,000
Premium on debt	-	-	-	-	3,394,937	3,394,937
Transfers in	4,195,745	4,946,529	-	20,569,539	29,616,324	59,328,137
Transfers (out)	(55,164,035)	(404,010)	-	(650,359)	(3,062,744)	(59,281,148)
Total other financing sources (uses)	$ (50,968,290)	$ 4,542,519	$ -	$ 19,919,180	$ 46,868,517	$ 20,361,926
Net change in fund balance	$ (7,280,332)	$ 3,096,116	$ -	$ 11,550,562	$ 5,563,810	$ 12,930,156
Fund balance, beginning of year	81,519,760	5,074,713	-	17,383,469	8,252,359	112,230,301
Fund balance, end of year	$ 74,239,428	$ 8,170,829	$ -	$ 28,934,031	$ 13,816,169	$ 125,160,457

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022

Net change in fund balances - total governmental funds (Exhibit 5)			$ 12,930,156
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceed capital outlays in the current period is as follows:			
Capital outlay additions:			
Construction in progress additions	$ 3,978,871		
Construction in progress deletions	(2,025,489)		
Building and improvements additions	16,182		
Other improvements additions	2,019,376		
Furniture, equipment and vehicle additions	3,058,006	$ 7,046,946	
Depreciation expense		(9,628,546)	(2,581,600)
In the statement of activities, only the gain (loss) on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.			(48,167)
School Board capital assets are jointly owned by the County and School Board. The County share of School Board capital assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship increased the transfers to the School Board as follows:			
School construction in progress additions		$ 19,655,557	
School construction in progress deletions		(714,374)	
School buildings and improvements additions		714,374	
School buildings and improvements deletions		(12,127,396)	
Transfer of depreciation		7,608,752	15,136,913
Under the modified accrual basis of accounting used in the governmental funds, revenues are recorded when measurable and available to pay current obligations. However, in the statement of net position revenues are reported when earned. This requires adjustments to convert the revenues to the accrual basis.			2,133,898
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			
(Increase) decrease in deferred inflows related to the measurement of the net pension liability			(24,354,006)
(Increase) decrease in deferred inflows related to leases			(307,272)
(Increase) decrease in deferred inflows related to the measurement of the net OPEB liability			(2,233,368)
Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases the long-term liabilities and does not affect the statement of activities. Similarly, the repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.			
Less general obligation bond proceeds		$ (16,920,000)	
Less premium on debt issued		(3,394,937)	
Repayments:			
General obligation school bonds		7,085,000	
Public facility revenue bonds		28,975,000	
Virginia Resource Authority		21,559	15,766,622
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of the following:			
Compensated absences		$ (418,140)	
Amortization of deferred amount on refunding		(27,464)	
Amortization of bond premium		2,988,129	
Net pension liability		26,802,635	
Net OPEB liabilities		2,274,616	
Increase (decrease) in deferred outflows related to the measurement of the net pension liability		(1,899,029)	
Increase (decrease) in deferred outflows related to the measurement of the net OPEB liabilities		170,233	
Accrued interest payable		(79,054)	
Net adjustment			29,811,926
Internal service funds are used by the County to charge the costs of health and dental insurance benefits, vehicle replacement and duplicating costs to individual funds. The change in net position of internal service funds is reported with governmental activities.			(4,676,393)
Change in net position of governmental activities (Exhibit 2)			$ 41,885,981

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

Statement of Net Position
Proprietary Funds
At June 30, 2022

		Governmental Activities
		Internal Service Funds
Assets		
Current assets:		
Cash and investments	$	16,616,698
Receivables, (net of allowance for doubtful accounts)		354,414
Prepaid expenses		43,088
Total assets	$	17,014,200
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	$	74,001
Reconciled overdraft		8,510
Claims payable:		
Due within one year		3,440,922
Total liabilities	$	3,523,433
Net Position		
Unrestricted	$	13,490,767
Total liabilities and net position	$	17,014,200

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

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2022

		Governmental Activities
		Internal Service Funds
Operating revenues		
Charges for services, net	$	34,540,521
Operating expenses		
Benefits and related expenses	$	37,597,752
Services and supplies		1,637,356
Total operating expenses	$	39,235,108
Operating income (loss)	$	(4,694,587)
Nonoperating revenues (expenses)		
Interest income	$	65,183
Transfers		
Transfers (out)	$	(46,989)
Net transfers	$	(46,989)
Change in net position	$	(4,676,393)
Net position, beginning of year		18,167,160
Net position, end of year	$	13,490,767

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

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

		Governmental Activities
		Internal Service Funds
Cash flows from operating activities		
Receipts from insured	$	32,674,612
Receipts from services		1,637,110
Payments to suppliers		(38,711,195)
Net cash provided by (used for) operating activities	$	(4,399,473)
Cash flows from noncapital financing activities		
Transfers	$	(46,989)
Cash flows from investing activities		
Interest income	$	65,183
Net increase (decrease) in cash and cash equivalents	$	(4,381,279)
Cash and cash equivalents, beginning of year		20,997,977
Cash and cash equivalents, end of year	$	16,616,698
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	$	(4,694,587)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Changes in assets and liabilities:		
Receivables, net		(224,456)
Prepaid expenses		22,167
Accounts payable and accrued liabilities		18,889
Reconciled overdraft		(4,343)
Claims payable		482,857
Net cash provided by (used for) operating activities	$	(4,399,473)

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

Statement of Fiduciary Net Position
Fiduciary Funds
At June 30, 2022

	Private Purpose Trust Funds	Custodial Funds
Assets		
Cash and investments	$ 9,794,988	$ 10,861,145
Investments with trustee	414,922	-
Accounts receivable	319,451	1,690,616
Total assets	$ 10,529,361	$ 12,551,761
Liabilities		
Accounts payable	$ -	$ 5,824,791
Total liabilities	$ -	$ 5,824,791
Net Position		
Restricted	$ 10,529,361	$ 6,726,970

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2022

	Private Purpose Trust Funds	Custodial Funds
Additions		
Investment earnings (losses)	$ 8,696	$ 12,494
Contributions	-	141,731,580
Proffers	2,380,370	-
Total additions	$ 2,389,066	$ 141,744,074
Deductions		
General	$ 741	$ 145,563,191
Contributions	1,553,160	-
Total deductions	$ 1,553,901	$ 145,563,191
Change in net position	$ 835,165	$ (3,819,117)
Net position, beginning of year	9,694,196	10,546,087
Net position, end of year	$ 10,529,361	$ 6,726,970

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Narrative Profile

The County of Albemarle, located in central Virginia and bordered by the counties of Augusta, Buckingham, Fluvanna, Greene, Louisa, Nelson, Orange and Rockingham, was founded in 1744. The County has a land area of 726 square miles.

The County is governed under the County Executive - Board of Supervisors form of government. Albemarle County engages in a comprehensive range of municipal services, including general government administration, public safety and administration of justice, education, health, welfare, human service programs, planning, community development and recreation, cultural, and historic activities.

The financial statements of the County of Albemarle, Virginia have been prepared in conformity with accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board, and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

Governmental standards established a statement that includes requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easy to understand and more useful to the people who use governmental financial information to make decisions and includes:

- Management's Discussion and Analysis: The financial statements are accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

- Government-wide Financial Statements: The reporting model includes financial statements (statement of net position and statement of activities) prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

- Statement of Net Position: The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component unit. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

- Statement of Activities: The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

- Budgetary Comparison: Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. The County and many other governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments will provide budgetary comparison information in their annual reports including the government's original budget to the current comparison of final budget and actual results for its major funds.

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and its component unit, entity for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide statements to emphasize it is legally separate from the primary government. The discretely presented component unit has a June 30 fiscal year-end.

Inclusions in the Reporting Entity:

1. Component Unit:

   Albemarle County School Board

   The Albemarle County School Board is elected to four-year terms by the County voters. The School Board may hold property and the County issues general obligation debt for the School Board's capital projects. The School Board provides public primary and secondary education services to the County residents. The primary funding sources of the School Board are state and federal grants, and appropriations from the County, which are significant since the School Board does not have separate taxing authority. The County also approves the School Board budget. The School Board does not issue separate financial statements.

Exclusions from the Reporting Entity:

1. Jointly-Governed Organizations:

   Jointly governed organizations are regional governments or other multi-governmental arrangements that are governed by representation from each of the governments that create the organizations, and the participants do not retain an ongoing financial interest or responsibility in the organization.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly Governed Organizations: (Continued)

The financial activities of the following organizations are excluded from the accompanying financial statements for the reasons indicated:

Jefferson-Madison Regional Library

The Jefferson-Madison Regional Library provides library services to the Counties of Albemarle, Louisa, Madison, Greene and the City of Charlottesville. The participating localities provide annual contributions for operations based on book circulation. No one locality contributes more than 50% of the Library's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County appropriated to the Library $4,717,255 in operating funds in fiscal year 2022. The County has no equity interest in the Library.

Albemarle-Charlottesville Jail Authority

The City of Charlottesville, the County and Nelson County provide the financial support for the Authority and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The localities are charged on a per diem rate for their respective prisoner days. Other localities, the state and the federal government also reimburse the Authority for prisoner care. The Authority is excluded from the reporting entity because the County has no control over Authority fiscal matters. The County has no equity interest in the Jail Authority.

Emergency Communications Center

The University of Virginia, the City of Charlottesville, and the County provide the financial support for the Center and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. No one locality or organization contributes more than 50% of the Center's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County has no equity interest in the Center.

Charlottesville Albemarle Convention and Visitors Bureau

The City of Charlottesville and the County provide the financial support for the Bureau and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. No one locality or organization contributes more than 50% of the Center's funding nor can impose its will on the organization, and there is no financial benefit/burden relationship. The County has no equity interest in the Bureau.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly-Governed Organizations: (Continued)

Albemarle County Service Authority

The Authority was created by the Board of Supervisors to operate the County's water and sewer system. The County has no control over Authority fiscal matters, Board members have no continuing relationship with the County, the Authority's Board approves its own budget and appoints management, the County is neither legally nor morally obligated for the Authority's debt, the County has no claim on surpluses nor responsibility for financing deficits, and the Authority sets its own rates. The County has no equity interest in the Authority.

Charlottesville-Albemarle Airport Authority

The Authority is excluded from the reporting entity because the County has no control over Authority fiscal matters. Board members have no continuing relationship with the County, the Authority Board approves its own budget and appoints management, and the County is neither legally nor morally obligated for the Authority's debt, the County has no claim on surpluses nor responsibility for financing deficits and the Authority sets its own rates. The County has no equity interest in the Authority.

Rivanna Water and Sewer Authority and Rivanna Solid Waste Authority

The Authorities are excluded from the reporting entity because the County has no control over either Authority's fiscal matters. Both Authority Boards approve their own budget and appoint management. The County has no claims on surpluses, or responsibility for financing deficits, and the Authorities set their own rates. The County has no equity interest in either Authority.

Region Ten Community Services Board

The Region Ten Community Services Board was created to provide Health, Intellectual Disability, and Substance Abuse Services to the residents of the City of Charlottesville and the Counties of Albemarle, Fluvanna, Greene, and Nelson. The Board members are appointed by each participant locality. No locality appoints a majority of the Board members. The participating localities contribute annual operating grants to the Board but are not required to do so. The participants have no ongoing financial responsibilities to or equity interest in the Board.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

A. Financial Reporting Entity: (Continued)

Exclusions from the Reporting Entity: (Continued)

1. Jointly-Governed Organizations: (Continued)

Blue Ridge Juvenile Detention Commission

The Commission was created to construct and operate a juvenile detention center for the Counties of Albemarle, Fluvanna and Greene, and the City of Charlottesville. Commission members are appointed by each participant locality. No locality appoints a majority of the Board Members. The participating localities contribute operating and capital grants to the Commission for its operations and debt service. In 2022, the County contributed $544,658 in operating grants to the Commission. The County has no equity interest in the Commission.

Financial reports for the jointly governed organizations that issue separate financial statements can be obtained as follows:

Emergency Communications Center, the
Charlottesville Albemarle Convention & Visitors Bureau, the
Blue Ridge Juvenile Detention Center
Chief Financial Officer
County of Albemarle
401 McIntire Road
Charlottesville, Virginia 22902

Albemarle County Service Authority
168 Spotnap Road
Charlottesville, Virginia 22902

Charlottesville-Albemarle Airport Authority
100 Bowen Loop, Suite 200
Charlottesville, Virginia 22901

Rivanna Water & Sewer Authority and Rivanna Solid Waste Authority
695 Moores Creek Lane
Charlottesville, Virginia 22902

Jefferson-Madison Regional Library
Director of Finance
City of Charlottesville
City Hall
Charlottesville, Virginia 22902

Albemarle-Charlottesville Jail Authority
160 Peregory Ln
Charlottesville, Virginia 22902

Region Ten Community Services Board
800 Preston Avenue
Charlottesville, Virginia 22902

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. In the current reporting model, the focus is on both the County as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds, (by category) and the component unit. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The government-wide financial statements exclude both fiduciary funds of the primary government and fiduciary-type component units.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) that are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits, and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Proprietary fund operating revenues consist of charges for services and related revenues. Nonoperating revenues consist of contribution, grants, investment earnings and other revenues not directly derived from the providing of services. Internal service charges are eliminated and the net income or loss from internal service activities are allocated to the various functional expense categories based on the internal charges to each function.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

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

The County's fiduciary funds are presented in the fund financial statements by type (private purpose and agency). Since, by definition, these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The following is a brief description of the specific funds used by the County in fiscal year 2022.

1. Governmental Funds:

   Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Fiduciary Funds. The Governmental Funds utilize the modified accrual basis of accounting where the measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

   a. General Fund - The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial resources except those required to be accounted for and reported in another fund. Revenues are derived primarily from property and other local taxes, licenses, permits, charges for services, use of money and property, and intergovernmental grants. A significant part of the General Fund's revenues are used primarily to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for financial reporting purposes.

   b. Special Revenue Funds - Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. Special Revenue Funds include the following major and nonmajor funds:

      Federal/State Grants Fund - This fund accounts for various federal and state grant funds including the funding for the Comprehensive Services Act program, criminal justice grants, Section 8 housing program and other related programs. The federal and state grant fund is considered a major fund for financial reporting purposes.

      CARES Act and ARPA Fund – The fund accounts for CARES Act federal grant funds received for COVID-19. The CARES Act fund is considered a major fund for financial reporting purposes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

1. Governmental Funds: (Continued)

The following special revenue funds are considered nonmajor for financial reporting purposes:

Courthouse Maintenance Fund - This fund accounts for courthouse maintenance fees collected resulting from traffic and related fines.

Water Resources Fund - This fund accounts for recent state mandates that have significance in water resources and to assist in storm water management.

Stream Buffer Fund – This fund accounts for revenues received in relation to stream protection projects.

Tourism Fund - This fund accounts for funds appropriated for tourism projects.

Old Crozet School Fund - This fund accounts for rental revenues and maintenance and operational expenditures for the Old Crozet School.

Economic Development Fund - This fund accounts for revenues and expenditures for economic development.

c. Debt Service Funds – Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources that are being accumulated for future debt service. Debt service funds include the following nonmajor funds:

General Debt Service Fund - This fund accounts for resources accumulated to pay debt service for all general obligation debt incurred for general capital projects. Financing is provided by transfers from the General Fund.

School Debt Service Fund - This fund accounts for debt service expenditures for the school system for the payments of principal and interest on the school system’s general long-term debt. Financing is provided by appropriations from the General Fund.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

1. Governmental Funds: (Continued)

   d. Capital Projects Funds – Capital project funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. Capital project funds include the following: .

   General Capital Improvements Fund - This fund accounts for capital project expenditures for general public improvements and large equipment acquisitions. Financing is provided by governmental grants, capital leases and general fund revenues. This fund is considered a major fund for financial reporting purposes.

   Storm Water Control Fund - This fund accounts for expenditures for drainage and other systems for storm water control. Financing is provided primarily from General Fund revenues. This fund is considered a nonmajor fund for financial reporting purposes.

2. Proprietary Funds:

   Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Internal Service Funds.

   Internal Service Funds - These funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the County government. The Internal Service Funds consist of the Health Insurance Fund, Dental Plan Pool Fund, Duplicating Fund, Facilities Development Fund, Computer Replacement Fund and the Vehicle Replacement Fund. A description and nature of each fund follows:

   Health Insurance Fund - This fund accounts for all activities of the County and Component Unit School Board employee health insurance program. Other jointly-governed organizations also participate in the program.

   Dental Plan Pool Fund – This fund accounts for all activities of the County and Component Unit School Board employee dental insurance program. Other jointly-governed organizations also participate in the program.

   Duplicating Fund - This fund accounts for revenues received for copying, printing and related services.

   Computer Replacement Fund - This fund accounts for activity of the County for the purchase and replacement of computers.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

2. Proprietary Funds: (Continued)

Facilities Development Fund - This fund accounts for all the operations of the County's capital projects management function. The major revenues of this fund consist of charges for services provided in coordinating and supervising all County building construction projects.

Vehicle Replacement Fund - This fund accounts for activity of the County for the purchase and disposal of County vehicles.

3. Fiduciary Funds (Trust and Custodial Funds):

Fiduciary Funds (Trust and Custodial Funds) account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. The funds include Private Purpose Trust and Custodial Funds. Private purpose trust funds utilize the accrual basis of accounting as described in the Proprietary Funds presentation. Custodial funds also utilize the accrual basis of accounting. The Private Purpose Trust and Custodial Funds consist of the following:

a. Private Purpose Trust Funds:

McIntire Trust Fund - This fund accounts for monies provided by a private donor, the corpus of which is nonexpendable. Interest and other earnings on assets may be used for educational purposes. The County does not control the activity of this fund or utilize these funds for County operations.

Juanise Dyer Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for college scholarships for a graduate of one of the County high schools.

Weinstein Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for the installation of traffic control devices for a certain area of the County. The County does not control the activity of this fund or utilize these funds for County operations.

Crozet Crossings Trust Fund - This fund accounts for monies provided by private donors, the corpus of which is nonexpendable. Interest earned on assets may be used to provide for assistance to persons who qualify for the purchase of homes in the Crozet Crossings project. The County does not control the activity of this fund or utilize these funds for County operations.

Synthetic Turf Field Funds - These funds account for monies provided by private donors to be accumulated for purchase of synthetic turf fields. The County does not control the activity of this fund or utilize these funds for County operations.

Proffer Trust Fund - This fund accounts for funds received for proffers for seven communities located in the County. Earnings on these funds may be used for the construction of or upgrade of certain public improvements in the communities. The County does not control the activity of this fund or utilize these funds for County operations.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

3. Fiduciary Funds (Trust and Custodial Funds): (Continued)

    b. Custodial Funds:

Special Welfare Fund - This fund accounts for monies provided primarily through private donors for assistance of children in foster care, needy senior citizens and others. This fund is also used to account for monies received from other governments and individuals (i.e., social security and child support) to be paid to special welfare recipients.

Drug Fund - This fund accounts for monies received from state and federal authorities for the prevention of drug abuse and distribution of illegal substances.

Payroll Suspense Fund - This fund accounts for various employee payroll withholdings and payments of employee benefits.

HUD Family Self Sufficiency Fund - This fund accounts for funds received from various sources for families participating in the County housing programs.

County Contribution Fund - This fund accounts for funds received from various sources for charitable and other purposes.

ACE Contribution Fund – This fund accounts for funds received as private citizens-donations and will be used in combination with the funding from the County's ACE (Acquisition of Conservation Easements) program to obtain conservation easement acquisitions.

Firearms Range Operating Fund - This fund accounts for the operations of the Firearms Range facility.

CATEC Fund - This fund accounts for funds received from various sources for Charlottesville-Albemarle Vocational Technical Education Center. The County processes the payroll for the Center.

Appeal Bond Fund – This fund accounts for appeal bonds held for others.

Sheriff Reserve Fund – This fund accounts for funds held for the Sheriff's Department use.

Performance Bond Fund - This fund accounts for the receipt and disbursements of performance bonds required by the County for erosion and sediment control, and other items relative to construction by private developers.

Natural Heritage Fund – This fund accounts for contributions held for the Natural Heritage Committee.

Economic Development Authority Fund – This fund accounts for amounts to be used for economic development purposes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Government-Wide and Fund Financial Statements: (Continued)

3. Fiduciary Funds (Trust and Custodial Funds): (Continued)

   b. Custodial Funds: (Continued)

      Commonwealth Attorney Commission Fund – This fund accounts for commissions held by the Commonwealth Attorney for others.

      Public Recreation Facility Authority – This fund is used to account for amounts held by the Authority for operations related to open-space land and interests therein.

      Courts Escrow Fund – This fund accounts for monies which were received as a result of a seizure warrant and which are being held for others.

      Albemarle Broadband Authority – This fund is used to account for amounts held by the Authority for Broadband Purposes.

4. Component Unit:

   Albemarle County School Board:

   The Albemarle County School Board has the following funds:

      Governmental Funds:

      School Operating Fund - This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Albemarle and State and Federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

      School Food Services Fund - This fund accounts for and reports the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales, and State and Federal grants. The School Food Services Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

      School Activities Fund - This fund accounts for and reports the funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the schools involving personnel, students, or property. The School Activities Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

      School Capital Projects Fund - This fund accounts for and reports school construction and related expenditures of the public school system. Funding is primarily from investment earnings and appropriations from the County of Albemarle. The School Capital Projects Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net position and statements of activities, all proprietary funds, and private purpose trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the statement of net position or on the statement of fiduciary net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

The statements of net position, statements of activities, financial statements of the Internal Service Funds and Fiduciary Funds are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General, Special Revenue, Debt Service and Capital Projects (for the primary government and component unit School Board) are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term “available” is limited to collection within forty-five days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are unavailable. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

D. Budgets and Budgetary Accounting

The Board of Supervisors annually adopts budgets for the various funds of the primary government and component unit School Board. All appropriations are legally controlled at the department level for the primary government funds. The School Board appropriation is determined by the Board of Supervisors and controlled in total by the primary government.

The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all major funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the major funds presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally-adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Budgets and Budgetary Accounting: (Continued)

Encumbrances:

Encumbrance accounting, the recording of purchase orders, contracts, and other monetary commitments in order to commit an applicable portion of an appropriation, is used as an extension of formal budgetary control in the primary government and component unit School Board. Encumbrances outstanding at year-end are reported as committed fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. These encumbrances are subject to reappropriation by the Board of Supervisors in the succeeding fiscal year. At June 30, 2022, amounts reappropriated by the Board totaled $11,495,856.

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the County Executive submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating budget and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings and open-houses are conducted to obtain citizen comments. Also, several work sessions between the Board of Supervisors and School Board are conducted on the School Board budget.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund, function and departmental level. The appropriation for each fund, function and department can be revised only by the Board of Supervisors; however, the School Board is authorized to transfer budgeted amounts within the school system's categories. Supplemental appropriations in addition to the appropriated budget were necessary during the year. Supplemental appropriations may not be made without amending the budget.
5. The County legally adopted budgets for the following funds:

   General, Federal/State Grants, CARES Act and ARPA, Courthouse Maintenance, Tourism, General Debt Service, School Debt Service, Stormwater Control, School Operating, School Food Services and School Capital Projects Funds.

   The County may adopt budgets for other funds, such as the Internal Service and Trust and Custodial Funds, for use as a management control device over such funds. The budget for the General Capital Improvements Fund is not presented.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. All appropriations lapse on June 30, for all County and School Board funds.
8. All budgetary data presented in the accompanying financial statements is the original budget as of June 30, 2022, as adopted, appropriated and legally amended.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

D. Budgets and Budgetary Accounting (Continued)

Encumbrances: (Continued)

9. The expenditure budget is enacted through an annual appropriations ordinance. Appropriations are made at the departmental level for the primary government and at the function level for the School Board. State law requires that if budget amendments exceed 1% of the original adopted budget the Board of Supervisors may legally amend the budget only by following procedures used in the adoption of the original budget. There were several budget amendments during the year that exceeded the 1% or $500,000 limitations. The Board of Supervisors must approve all appropriations and transfers of appropriated amounts.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the county's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

The County maintains a pool of cash and investments in which each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on average monthly balances. The majority of funds in the County's accounts are invested at all times.

F. Investments

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

G. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $510,616 at June 30, 2022 and consists of taxes receivable in the General Fund.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Inventories

Inventories are reported at average cost using the consumption method.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

J. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds of the primary government and Component Unit School Board and as tangible and intangible assets in the government-wide financial statements to the extent the County's and School Board's capitalization threshold of $5,000 is met. The County and Component Unit School Board do not have any infrastructure in their capital assets since roads, streets, bridges, and similar assets within its boundaries are property of the Commonwealth of Virginia. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Buildings and improvements	20 to 40 years
Leased buildings	5 years
Other improvements	10 to 20 years
Furniture, equipment and vehicles	3 to 10 years

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). Donated capital assets are valued at their acquisition value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend the useful life of an asset are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

K. Leases

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

K. Leases: (Continued)

Lessor: For new or modified contracts, the County determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), the County records a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not explicit, the County may apply the guidance for imputation of interest as a means of determining the interest rate. The County will not recognize a lease receivable and a deferred inflow of resources for leases with a non-cancellable term of less than 12 months, and income is recognized as earned. The County is a lessor for non-cancellable leases of certain real estate. The County recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position. At the commencement of a lease, the County measures the lease receivable as the present value of payments expected to be received during the lease term and then reduces the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

L. Compensated Absences

The County and Component Unit School Board accrue compensated absences (annual and sick leave benefits) when vested.

The County and School Board have accrued the liability arising from outstanding compensated absences.

Primary Government

County employees earn vacation and sick leave at various amounts depending on the length of service. Benefits or pay is received for unused sick leave or retirement bonus upon termination. There are various restrictions both for sick leave and retirement bonus upon termination of employment. Accumulated vacation up to 320 hours is paid upon termination. The County has outstanding accrued vacation and sick pay totaling $5,497,181.

Component Unit School Board

Certain School Board employees accrue vacation and sick leave.

The School Board has outstanding accrued vacation and sick pay totaling $4,771,476.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

M. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

N. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

O. Net Position Flow Assumption

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

P. Long-Term Obligations

The County reports long-term obligations of governmental funds at face value. The face value of the debt is believed to be approximate fair value. Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Q. Fund Equity

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory, prepaids and leases receivable) or are required to be maintained intact (corpus of a permanent fund);

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

The Board of Supervisors has established a minimum unassigned fund balance in the General Fund to be no less than 10% of the County's total revenues and should the fund balance fall below the 10% target level, the County will develop a plan during the annual budget adoption process to replenish the fund balance over a period of not more than three years.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension and OPEB, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

S. Pensions

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

T. Other Postemployment Benefits (OPEB)

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

U. Adoption of Accounting Principles

The County implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the lease(s):

	Governmental Activities	General Fund	Component Unit School Board
Leasee activity			
Lease assets	$ -	$ -	$ 2,221,532
Lease liabilites	$ -	$ -	$ 2,221,532
Lessor activity:			
Lease receivable	$ 371,182	$ 371,182	
Deferred inflows of resources - Leases	$ 371,182	$ 371,182	

V. Upcoming Pronouncements

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 99, Omnibus 2022, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to reporting periods beginning after June 15, 2023.

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

V. Upcoming Pronouncements: (Continued)

Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101, Compensated Absences, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

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

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

State statutes require that commercial paper have a short-term debt rating of no less than “A-1” (or its equivalent) from at least two of the following: Moody’s Investors Service, Standard & Poor’s and Fitch Investor’s Service. Corporate notes, negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service. Notes having a maturity of greater than one year must be rated “AA” by Standard & Poor’s and “Aa” by Moody’s Investor Service. The County’s rated debt investments as of June 30, 2022 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings	
	AAAm	Unrated
Mutual Fund	$ -	$ 326,352
Virginia State Non-Arbitrage Program	1,944,060	-
Local Government Investment Pool	74,693,535	-
Total	$ 76,637,595	$ 326,352

Fair Value Measurements

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

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date

- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices

- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

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

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

The County has the following recurring fair value measurements as of June 30, 2022:

		Fair Value Measurement Using
Investment Type	**6/30/2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**
Mutual Funds	$ 326,352	$ 326,352
Total	$ 326,352	$ 326,352

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2022, there is no portion of the County's portfolio, excluding the LGIP that exceed 5% of the total portfolio. At present the County does not have a policy related to custodial credit risk.

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Investment Maturities (in years)

Investment Type	**Fair Value**	**Less Than 1 Year**
Virginia State Non-Arbitrage Program	$ 1,944,060	$ 1,944,060
Local Government Investment Pool	74,693,535	74,693,535
Total	$ 76,637,595	$ 76,637,595

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Restricted Investments

Restricted investments at June 30, 2022 are comprised of the following:

	Primary Government	Component Unit School Board
Governmental Activities:		
Capital Projects Fund:		
General projects unexpended bond proceeds	$ 1,645,949	$ 274,327
Total	$ 1,645,949	$ 274,327

NOTE 3—PROPERTY TAXES:

Real property taxes are assessed on property values as of January 1 and attach as an enforceable lien on property as of the date levied by the Board of Supervisors. Personal property taxes are assessed on a prorated basis for the period the property is located in the County and also attach as an enforceable lien on the property.

Real estate and personal property taxes are due in two installments, the first on June 25 and the second on December 5.

A ten-percent penalty is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on their due date.

Property taxes for calendar year 2022 were levied by the County Board of Supervisors on May 4, 2022, on the assessed value listed as of January 1, 2022.

Property taxes levied in the current and prior year have been recorded as receivables as of the date the County has the legal right to receive payments thereon. Property tax amounts levied in May 2022, but due in December 2022, are not reported as receivables in the current year. The receivables collected during the fiscal year and during the first 45 days of the succeeding fiscal year are recognized as revenues in the current fiscal year. Taxes receivable as of the end of the year (June 30) and not collected until the succeeding year are reported as unavailable revenues.

NOTE 4—RECEIVABLES:

Receivables at June 30, 2022 consist of the following:

	Primary Government					Component Unit
	Governmental Activities					
	General	Federal/ State Grants Fund	General Capital Improvements	Other Governmental Funds	Total	School Board
Property taxes	$ 17,870,653	$ -	$ -	$ -	$ 17,870,653	$ -
Other	4,405,904	20,797	6,583,266	254,795	11,264,762	267,646
Total	$ 22,276,557	$ 20,797	$ 6,583,266	$ 254,795	$ 29,135,415	$ 267,646
Allowance for uncollectibles	(510,616)	-	-	-	(510,616)	-
Net receivables	$ 21,765,941	$ 20,797	$ 6,583,266	$ 254,795	$ 28,624,799	$ 267,646

NOTE 5—DUE FROM OTHER GOVERNMENTS:

Due from other governments at June 30, 2022 consist of the following:

	Governmental Funds				Component Unit
	General	Federal/ State Grants Fund	General Capital Improvements	Total	School Board
Commonwealth of Virginia:					
Local sales taxes	$ 3,828,714	$ -	$ -	$ 3,828,714	$ -
State sales taxes	-	-	-	-	3,698,121
PPTRA	6,783,357	-	-	6,783,357	-
Communications tax	270,233	-	-	270,233	-
Comprehensive Services Act	-	1,863,336	-	1,863,336	-
Shared expenses	199,399	-	-	199,399	-
Public assistance grants	213,448	-	-	213,448	-
Other state funds	-	36,250	705,040	741,290	1,253,221
Federal government:					
School funds	-	-	-	-	11,174,476
Public assistance grants	722,029	-	-	722,029	-
Other federal funds	-	515,821	20,382	536,203	-
Total	$ 12,017,180	$ 2,415,407	$ 725,422	$ 15,158,009	$ 16,125,818

NOTE 6—INTERFUND BALANCES AND ACTIVITY:

Primary Government

Balances Due To/From Other Funds

There are no balances due to or from other funds at June 30, 2022.

Transfers To/From Other Funds

General Fund		
Federal/State Grants Fund for other costs	$	404,010
Computer Replacement Fund for other costs		46,989
Capital Projects		895,296
Water resources for costs expended		1,349,450
Tourism Fund for tourism program costs expended		1,500,000
Total General Fund	$	4,195,745
Federal/State Grants Fund		
General and other funds for local match funds for various grant programs	$	4,946,529
General Debt Service		
General and other funds for debt service expenditures	$	7,011,587
School Debt Service		
General Fund for debt service expenditures	$	16,057,969
General Capital Improvements:		
General Fund for capital projects	$	20,553,563
Courthouse Maintenance Fund for building renovations and other costs		15,976
Total General Capital Improvements Fund	$	20,569,539
Economic Development Fund		
General Fund for economic development	$	5,000,000
Water Resources Fund		
General Fund for water resources projects	$	1,546,768
Total transfers	$	59,328,137

NOTE 7—CAPITAL ASSETS:

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2022:

Governmental Activities:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:				
Land	$ 11,704,520	$ -	$	$ 11,704,520
Construction in progress	6,414,835	3,978,871	2,025,489	8,368,217
School construction in progress *	21,071,211	19,655,557	714,374	40,012,394
Total capital assets not being depreciated	$ 39,190,566	$ 23,634,428	$ 2,739,863	$ 60,085,131
Capital assets being depreciated:				
Buildings and improvements	$ 90,744,936	$ 16,182	$ -	$ 90,761,118
Other improvements	13,350,143	2,019,376	-	15,369,519
School buildings and improvements *	96,223,070	714,374	12,127,396	84,810,048
Furniture, equipment and vehicles	68,084,983	3,058,006	48,167	71,094,822
Total capital assets being depreciated	$ 268,403,132	$ 5,807,938	$ 12,175,563	$ 262,035,507
Accumulated depreciation:				
Buildings and improvements	$ 40,065,854	$ 2,167,357	$ -	$ 42,233,211
Other improvements	9,628,351	418,901	-	10,047,252
School buildings and improvements *	9,328,485	3,073,855	7,608,752	4,793,588
Furniture, equipment and vehicles	54,069,108	3,968,433	-	58,037,541
Total accumulated depreciation	$ 113,091,798	$ 9,628,546	$ 7,608,752	$ 115,111,592
Total capital assets being depreciated, net	$ 155,311,334	$ (3,820,608)	$ 4,566,811	$ 146,923,915
Governmental activities capital assets, net	$ 194,501,900	$ 19,813,820	$ 7,306,674	$ 207,009,046

Depreciation expense was allocated as follows:	
General government administration	$ 2,023,932
Judicial administration	359,613
Public safety	3,299,971
Public works	16,815
Health and welfare	13,061
Education	3,082,677
Parks, recreation and cultural	772,529
Community development	59,948
Total depreciation expense	$ 9,628,546

NOTE 7—CAPITAL ASSETS: (CONTINUED)

Component Unit School Board:

	Balance July 1, 2021**	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:				
Land and land improvements	$ 6,174,142	$ -	$ -	$ 6,174,142
Construction in progress	21,071,211	22,706,690	714,374	43,063,527
School construction in progress allocated to County *	(21,071,211)	(19,655,557)	(714,374)	(40,012,394)
Total capital assets not being depreciated	$ 6,174,142	$ 3,051,133	$ -	$ 9,225,275
Capital assets being depreciated:				
Buildings and improvements	$ 319,315,801	$ 3,049,074	$ -	$ 322,364,875
Leased buildings	2,221,532	-	-	2,221,532
Other improvements	24,620,486	-	-	24,620,486
School buildings and improvements*	(96,223,070)	(714,374)	(12,127,396)	(84,810,048)
Furniture, equipment and vehicles	48,846,523	2,542,492	-	51,389,015
Total capital assets being depreciated	$ 298,781,272	$ 4,877,192	$ (12,127,396)	$ 315,785,860
Accumulated depreciation:				
Buildings and improvements	$ 192,051,768	$ 10,200,573	$ -	$ 202,252,341
Leased buildings	-	544,049	-	544,049
Other improvements	12,309,117	1,293,043	-	13,602,160
School buildings and improvements *	(9,328,485)	(3,073,855)	(7,608,752)	(4,793,588)
Furniture, equipment and vehicles	43,506,395	1,890,241	-	45,396,636
Total accumulated depreciation	$ 238,538,795	$ 10,854,051	$ (7,608,752)	$ 257,001,598
Total capital assets being depreciated, net	$ 60,242,477	$ (5,976,859)	$ (4,518,644)	$ 58,784,262
School board capital assets, net	$ 66,416,619	$ (2,925,726)	$ (4,518,644)	$ 68,009,537
Depreciation expense allocated to education		$ 10,854,051		

** Beginning balances have been adjusted for the implementation of GASB 87

* School Board capital assets are jointly owned by the County (primary government) and the component unit School Board. The County share of the School Board capital assets is in proportion to the debt owed on such assets by the County. The County reports depreciation on these assets as an element of its share of the costs of the public school system.

Reconciliation of primary government net position net investment in capital assets:

Net capital assets		$ 207,009,046
Long-term debt applicable to capital assets at June 30, 2021:		
General obligation school bonds	$ 50,430,000	
School - Public facility revenue bonds	74,666,768	
County - Public facility revenue bonds	54,588,233	
Premium on bonds payable	18,430,616	
Deferred amount for issuance premiums	(267,204)	$ 197,848,413
Less-debt proceeds received but not expended on capital assets at June 30, 2022		(1,920,276)
Net long-term debt		$ 195,928,137
Net investment in capital assets		$ 11,080,909

NOTE 8—LONG-TERM OBLIGATIONS:

Primary Government

General Fund revenues are used to pay all long-term general obligation debt, capital leases, pension and OPEB liabilities and governmental activities compensated absences.

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2022:

	Balance July 1, 2021	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2022	Amounts Due Within One Year
General obligation school bonds:					
Direct Borrowings and Direct Placements	$ 57,515,000	$ -	$ 7,085,000	$ 50,430,000	$ 6,045,000
School - Public facility revenue bonds:					
Public Offerings	79,709,164	4,556,556	9,598,952	74,666,768	5,206,180
County - Public facility revenue bonds:					
Public Offerings	61,600,837	12,363,444	19,376,048	54,588,233	4,743,820
Virginia Resource Authority:					
Direct Borrowings and Direct Placements	21,559	-	21,559	-	-
Premium on bonds payable	18,023,808	3,394,937	2,988,129	18,430,616	2,580,652
Claims payable	2,958,065	33,381,924	32,899,067	3,440,922	3,440,922
Net pension liability	48,760,745	29,106,718	55,909,353	21,958,110	-
Net OPEB liability:					
Net Health Insurance OPEB liability	$ 13,818,723	$ 1,838,296	$ 3,034,852	$ 12,622,167	$ -
Net Group Life Insurance OPEB liability	3,674,833	888,944	1,967,004	2,596,773	-
Total net OPEB liability	$ 17,493,556	$ 2,727,240	$ 5,001,856	$ 15,218,940	$ -
Compensated absences	5,079,041	926,044	507,904	5,497,181	549,718
Total primary government	$ 291,161,775	$ 86,456,863	$ 133,387,868	$ 244,230,770	$ 22,566,292

Reconciliation to Exhibit 1:	
Long-term liabilities due within one year:	$ 22,566,292
Long-term liabilities due in more than one year:	221,664,478
Total long-term obligations	$ 244,230,770

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

Year Ending June 30,	Direct Borrowings and Direct Placements: General Obligation School Bonds Principal	Interest	Revenue & Refunding Bonds: School Public Facility Public Offerings Principal	Interest	County Public Facility Public Offerings Principal	Interest
2023	$ 6,045,000	$ 2,104,623	$ 5,206,180	$ 2,852,703	$ 4,743,820	$ 2,363,956
2024	5,680,000	1,829,431	4,454,010	2,553,790	4,145,990	2,022,019
2025	5,415,000	1,567,903	4,612,831	2,331,090	4,267,166	1,814,719
2026	5,035,000	1,321,021	4,697,840	2,182,526	4,532,161	1,620,638
2027	4,740,000	1,090,609	4,213,506	2,000,093	3,116,495	1,406,351
2028	3,985,000	883,854	4,030,709	1,798,533	3,189,290	1,261,410
2029	3,500,000	708,769	4,223,323	1,606,389	3,336,677	1,113,154
2030	2,180,000	579,316	4,179,441	1,414,303	3,390,558	967,840
2031	2,230,000	472,626	4,368,398	1,224,357	3,536,602	819,724
2032	1,790,000	371,181	4,562,306	1,024,912	3,687,694	664,206
2033	1,845,000	317,481	4,259,258	846,603	3,655,743	513,516
2034	1,900,000	262,131	3,881,877	679,803	2,328,124	363,047
2035	1,965,000	200,381	3,998,636	560,567	2,401,363	290,070
2036	2,025,000	136,519	3,713,235	437,007	2,316,765	213,918
2037	2,095,000	70,706	3,209,023	320,417	1,650,977	138,508
2038	-	-	2,683,892	221,124	1,041,108	85,776
2039	-	-	2,734,327	167,446	1,060,673	64,954
2040	-	-	2,791,968	112,759	1,083,032	43,741
2041	-	-	2,846,008	56,920	1,103,995	22,080
	$ 50,430,000	$ 11,916,551	$ 74,666,768	$ 22,391,342	$ 54,588,233	$ 15,789,627

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations outstanding at June 30, 2022 are as follows:

		Amount Outstanding
County Public Facilities Revenue Bonds:		
Public Offerings:		
$38,880,000, Public Facility Revenue Bonds 2015B Series, (General portion $26,139,343) issued September 30, 2015, maturing in various annual installments ranging from $1,000,000 to $3,125,000 through June 1, 2036, interest payable semi-annually 2.7%	$	14,784,972
$22,240,000, Public Facility Revenue Bonds, Series 2017, (General portion $10,259,891) issued March 9, 2017, maturing in various annual installments through June 1, 2037, interest payable semi-annually 2.853%		8,120,176
$66,710,000, Public Facility Revenue and Refunding Bonds, Series 2021A (General portion $18,644,924), issued June 24, 2021, maturing in various annual installments through June 1, 2041, interest payable semi-annually ranging from 2.00% to 5.00%		17,753,344
$8,235,000, Public Facility Revenue Bonds, Series 2021B, (General portion $1,566,297), issued June 24, 2021, maturing in various annual installments through June 1, 2026, interest payable semi-annually ranging from 0.65% to 5.00%		1,566,297
$16,920,000, Public Facility Revenue Bonds, Series 2022, (General portion $12,363,444), issued March 30, 2022, maturing in various annual installments through June 1, 2033, interest payable semi-annually ranging from 3.375% to 5.00%		12,363,444
Total County public facilities revenue bonds	$	54,588,233
School Public Facilities Revenue Bonds:		
Public Offerings:		
$66,710,000, Public Facility Revenue and Refunding Bonds, Series 2021A (School portion $48,065,076), issued June 24, 2021, maturing in various annual installments through June 1, 2041, interest payable semi-annually ranging from 2.00% to 5.00%	$	45,766,656
$8,235,000, Public Facility Revenue Bonds, Series 2021B, (School portion $6,668,703), issued June 24, 2021, maturing in various annual installments through June 1, 2026, interest payable semi-annually ranging from 0.65% to 5.00%		6,668,703

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations: (Continued)

		Amount Outstanding
School Public Facilities Revenue Bonds: (Continued)		
Public Offerings: (Continued)		
$22,240,000, Public Facility Revenue Bonds, Series 2017, (School portion $11,980,109) issued March 9, 2017, maturing in various annual installments through June 1, 2037, interest payable semi-annually 2.853%		8,989,825
$38,880,000, Public Facility Revenue Bonds 2015B Series, (School portion $12,740,657) issued September 30, 2015, maturing in various annual installments ranging from $1,000,000 to $3,125,000 through June 1, 2036, interest payable semi-annually 2.7%		8,685,028
$16,920,000, Public Facility Revenue Bonds, Series 2022, (General portion $4,556,556), issued March 30, 2022, maturing in various annual installments through June 1, 2033, interest payable semi-annually ranging from 3.375% to 5.00%		4,556,556
Total School public facilities revenue bonds	$	74,666,768
General Obligation School Bonds:		
Direct Borrowings and Direct Placements:		
$30,435,000, Series 2017, issued March 8, 2017, maturing in various annual installments through July 1, 2037, interest payable semi-annually at 2.853%	$	25,175,000
$2,000,000, Qualified School Construction Bonds, issued December 1, 2011, maturing in various annual installments through December 1, 2030, interest free as a federal tax credit is provided to bondholders		1,000,000
$8,365,000, 2002A Series, issued October 15, 2002, maturing in various annual installments through July 15, 2022, interest payable semi-annually at rates from 2.35% to 5.10%		415,000
$6,760,000, 2003A Series, issued November 6, 2003, maturing in various annual installments through July 15, 2023, interest payable semi-annually at rates from 3.10% to 5.35%		670,000
$8,950,000, 2004B Series, issued November 10, 2004, maturing in various annual installments through July 15, 2024, interest payable semi-annually at rates from 4.10% to 5.60%		1,335,000

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of general long-term obligations: (Continued)

		Amount Outstanding
General Obligation School Bonds: (Continued)		
Direct Borrowings and Direct Placements: (Continued)		
$7,380,000, 2005A Series, issued November 10, 2005, maturing in various annual installments through July 15, 2025, interest payable semi-annually at rates from 4.10% to 5.60%	$	1,460,000
$15,020,000, 2006B Series, issued November 9, 2006, maturing in various annual installments through July 15, 2026, interest payable semi-annually at rates from 4.23% to 5.10%		3,750,000
$11,325,000, 2007A Series, issued November 8, 2007, maturing in various annual installments through July 15, 2027, interest payable semi-annually at 5.10%		3,390,000
$28,045,000, 2008A Series, issued December 11, 2008, maturing in various annual installments through July 15, 2028, interest payable semi-annually at 4.66%		9,800,000
$7,670,000, 2010D Series, issued November 10, 2010, maturing in various annual installments through July 15, 2030, interest payable semi-annually at 2.867%		3,435,000
Total general obligation school bonds	$	50,430,000
Compensated absences	$	5,497,181
Claims payable	$	3,440,922
Net pension liability	$	21,958,110
Net Health Insurance OPEB Obligation	$	12,622,167
Net Group Life Insurance OPEB Obligation	$	2,596,773
Unamortized bond premiums	$	18,430,616
Total long-term obligations	$	244,230,770

Federal Arbitrage Regulations:

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

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit—School Board:

The following is a summary of long-term obligation transactions of the School Board for the year ended June 30, 2022.

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
Compensated absences	$ 4,763,843	$ 484,017	$ 476,384	$ 4,771,476	$ 476,384
School Energy Improvement Loan	6,437,158	-	619,516	5,817,642	658,354
Lease liabilities	2,221,532	-	475,721	1,745,811	517,735
Net pension liability	170,914,337	29,481,021	112,411,518	87,983,840	-
Net OPEB Liability:					
Net HIC OPEB obligation	$ 15,620,698	$ 2,210,075	$ 2,808,212	$ 15,022,561	$ -
Net Group Life Insurance OPEB liability	9,083,977	1,882,562	4,767,144	6,199,395	-
Net Health Insurance OPEB liability	28,292,826	4,819,702	5,381,001	27,731,527	$ -
Total net OPEB Liability	$ 52,997,501	$ 8,912,339	$ 12,956,357	$ 48,953,483	-
Total	$ 237,334,371	$ 38,877,377	$ 126,939,496	$ 149,272,252	$ 1,652,473

Reconciliation to Exhibit 1:	
Long-term liabilities due within one year	$ 1,652,473
Long-term liabilities due in more than one year	147,619,779
Total long-term debt	$ 149,272,252

School fund revenues and appropriations from the General Fund are used to pay its compensated absences.

Annual requirements to amortize the energy improvements lease are as follows:

Year Ending June 30,	School Energy Improvement Loan Principal	School Energy Improvement Loan Interest	Lease Liabilities Principal	Lease Liabilities Interest
2023	$ 658,354	$ 192,645	$ 517,735	$ 75,566
2024	680,412	169,149	562,436	48,665
2025	703,003	144,871	613,008	19,402
2026	726,140	119,790	52,632	219
2027	749,834	93,886	-	-
2028	774,098	67,141	-	-
2029	766,761	40,099	-	-
2030	759,040	13,321	-	-
	$ 5,817,642	$ 840,902	$ 1,745,811	$ 143,852

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit—School Board: (Continued)

Details of Long-term obligations are as follows:

		Amount Outstanding
School Energy Improvement Loan		
$7,821,492, School Energy Improvement Lease, issued September 28, 2017, maturing in various annual installments through August 15, 2029, interest payable semi-annually at 3.510%	$	5,817,642
Lease liabilites	$	1,745,811
Compensated absences	$	4,771,476
Net pension liability - professional	$	87,983,840
Net OPEB liabilities	$	48,953,483
Total long-term obligations	$	149,272,252

Current Refunding of Debt:

On March 30, 2022 the county issued public facility revenue refunding bonds to currently refund its 2013 public facility revenue bonds. This refunding was undertaken to reduce the total debt service over the next eleven years by $2,618,981 and resulted in an economic gain of $2,350,579.

NOTE 9—UNEARNED AND DEFERRED/UNAVAILABLE REVENUE:

The following is a summary of unearned revenue for the year ended June 30, 2022.

Deferred revenue /unavailable revenue represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

		Government-wide Statements		Balance Sheet
		Governmental Activities		Governmental Funds
Deferred/Unavailable revenue:				
Unearned revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	$	-	$	8,922,633
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year		5,040,626		5,040,626
Total deferred/unavailable revenue	$	5,040,626	$	13,963,259

NOTE 10—COMMITMENTS AND CONTINGENCIES:

Primary Government and Component Unit School Board:

A. Federal programs in which the County and School Board participate were audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

B. The County was named as a party along with the City of Charlottesville and Rivanna Solid Waste Authority as defendants relating to the operation of the Ivy Landfill. The plaintiffs allege that pollutants have been and are being discharged into the air, and underground and surface waters in violation of various federal and state laws. The plaintiffs sought injunctive relief of $25,000 per day in civil penalties for violations of federal and state environmental laws and $5,000,000 in compensatory damages, and payment of all attorneys' fees. The lawsuit has been settled and dismissed by all plaintiffs except for two. Those lawsuits were dismissed without prejudice and may be re-filed. The County has no identified insurance coverage for the claim if it is re-filed. Counsel is of the opinion that the lawsuit, if re-filed, has potential liability for the County primarily arising from the claim, which could require removal of pollutants from the landfill if they are contaminating adjacent properties, and for related attorney fees. Counsel is of the opinion that the County's liability appears to be limited by the ability of the Rivanna Solid Waste Authority to fund appropriate remediation and settlement of the claims.

C. Blue Ridge Juvenile Detention Commission - The County, the City of Charlottesville and the Counties of Greene and Fluvanna formed the Commission to construct and operate the facility. At June 30, 2002 the facility construction was complete, and operations commenced in July, 2002.

D. On June 27, 2003 the County entered into an agreement with Motorola, Inc. for the purchase of a communication system (basic emergency services radio system and communications towers). The City of Charlottesville and University of Virginia are also parties to this agreement. The financing of the project was provided by a lease/purchase agreement with Motorola in the amount of $7,000,000 in which the County was the bearer of the debt. The City of Charlottesville received a grant from the federal government in the amount of $6,000,000 for the project and will pass through a portion of these funds to the County as fiscal agent for the Emergency Communications Center (the operator of the system) as the project is completed. Each locality will be responsible for the purchase and maintenance of the radio equipment that will be installed in their law enforcement and emergency services facilities and vehicles. The County has committed to provide its share of the local funding for this project and for the purchase and maintenance of radio equipment to be installed in the County's law enforcement and emergency services facilities and vehicles.

E. There are a number of matters of litigation involving the County Police Department and certain police officers. All of these matters have been referred to the County's insurance carriers which are handling the matters. Counsel is of the opinion that the County has no liability in the matters other than the financial responsibilities to the insurance carriers.

F. There are a number of other ongoing capital projects that have been approved and for which funds have been designated to finance them.

NOTE 11—PART-TIME EMPLOYEE PENSION PLAN:

The County contributes to the County of Albemarle Pension Plan for Permanent Part-time Employees, a defined contribution plan for its permanent part-time employees. Under the terms of the plan administered by Retirement Plan Administrative Services, Ltd., employees are eligible to participate following five years of service. Between five and ten years of service, participants receive a contribution of five percent (5%) of covered payroll. Between ten and fifteen years of service, participants receive a contribution of seven percent (7%) of covered payroll. Between fifteen and twenty years of service, participants receive a contribution of nine percent (9%) of covered payroll. Participants with over twenty (20) years of service receive a contribution of eleven percent (11%) of covered payroll.

The County Board of Supervisors and the School Board are responsible for establishing the plan's provisions as well as all amendments each year as part of the budgetary process. They also provide all contributions to the plan (the employee makes no contributions to the plan). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The County and School Board's contributions to the plan for fiscal year 2022 were $29,747 and $131,632, respectively. The average payroll for covered County employees was $362,590 and $2,242,675 for School Board employees, respectively. The contribution averaged 8.20% and 5.87% of the covered payrolls of the County and School Board, respectively. The County and School Board had no investments with the plan at any time during the year.

NOTE 12—ANNEXATION AND REVENUE SHARING AGREEMENT:

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

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

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

1. The County and City are consolidated into a single political subdivision, or

2. The concept for independent cities presently existing in Virginia is altered by State law in such a manner that real property in the City becomes a part of the County's tax base, or

3. The County and City mutually agree to cancel or change the agreement.

During the fiscal year, the County paid $15,411,834 to the City as a result of this agreement. Amounts to be paid pursuant to this agreement are to be funded from revenues of the fiscal year in which paid.

NOTE 13—PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. However, several entities whose financial information is not included in the primary government report participate in the VRS plan through County of Albemarle and the participating entities report their proportionate information on the basis of a cost-sharing plan. 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.

Benefit Structures

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

a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

NOTE 13—PENSION PLAN: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

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

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

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

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 County's contractually-required contribution rate for the year ended June 30, 2022 was 14.12% of covered employee compensation. This rate was based on an actuarially-determined rate from an actuarial valuation as of June 30, 2020.

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 County were $6,688,051 and $6,227,157 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

At June 30, 2022, the County reported a liability of $21,958,110 for its proportionate share of the net pension liability. The County's net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of

NOTE 13—PENSION PLAN: (CONTINUED)

Net Pension Liability: (Continued)

June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. In order to allocate the net pension liability to all employers included in the plan, the County is required to determine its proportionate share of the net pension liability. Creditable compensation as of June 30, 2021 and 2020, was used as a basis for allocation to determine the County's proportionate share of the net pension liability. At June 30, 2021, and June 30, 2020, the County's proportion was 94.59% and 95.01%, respectively.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County's Retirement Plan and the County Public Schools Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

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

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

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

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

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

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

NOTE 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees: (Continued)

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

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

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

NOTE 13—PENSION PLAN: (CONTINUED)

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

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

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

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

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

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) –Hazardous Duty

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

NOTE 13—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

* The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

NOTE 13—PENSION PLAN: (CONTINUED)

Discount Rate:

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially-determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Rate		
	(5.75%)	**(6.75%)**	**(7.75%)**
County			
Net Pension Liability (Asset)	$ 53,301,530	$ 21,958,110	$ (3,786,403)

NOTE 13—PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2022, the County recognized pension expense of $5,997,361. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 3,350,111	$ 2,064,352
Difference in proportionate share	-	211,217
Change in assumptions	7,848,902	-
Net difference between projected and actual earnings on pension plan investments	-	22,078,437
Employer contributions subsequent to the measurement date	6,688,051	-
Total	$ 17,887,064	$ 24,354,006

$6,688,051 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. 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 ended June 30	Primary Government
2023	$ (276,766)
2024	(2,245,291)
2025	(3,936,314)
2026	(6,696,622)
Thereafter	-

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional)

Plan Description

Additional information related to the plan description, plan contribution requirements, actuarial assumptions, long-term expected rate of return, and discount rate is included in the first section of this note.

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	212
Inactive members:	
Vested inactive members	45
Non-vested inactive members	150
Inactive members active elsewhere in VRS	133
Total inactive members	328
Active members	343
Total covered employees	883

Contributions

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022, was 4.34% of covered employee compensation. This rate was based on an actuarially-determined rate from an actuarial valuation as of June 30, 2019.

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 Component Unit School Board's nonprofessional employees were $375,379 and $327,696 for the years ended June 30, 2022, and June 30, 2021, respectively.

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional): (Continued)

Net Pension Liability

The Component Unit School Board's (nonprofessional) net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional) Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at June 30, 2020	$ 32,245,612	$ 30,716,567	$ 1,529,045
Changes for the year:			
Service cost	$ 794,724	$ -	$ 794,724
Interest	2,121,112	-	2,121,112
Changes of assumptions	1,076,677	-	1,076,677
Differences between expected and actual experience	(544,047)	-	(544,047)
Contributions - employer	-	324,181	(324,181)
Contributions - employee	-	436,863	(436,863)
Net investment income	-	8,317,902	(8,317,902)
Benefit payments, including refunds of employee contributions	(1,643,452)	(1,643,452)	-
Administrative expenses	-	(20,973)	20,973
Other changes	-	782	(782)
Net changes	$ 1,805,014	$ 7,415,303	$ (5,610,289)
Balances at June 30, 2021	$ 34,050,626	$ 38,131,870	$ (4,081,244)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional): (Continued)

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

The following presents the net pension liability (asset) of the Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the Component Unit School Board's (nonprofessional) 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:

	Rate		
	(5.75%)	(6.75%)	(7.75%)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	$ (12,204)	$ (4,081,244)	$ (7,460,282)

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

For the year ended June 30, 2022, the Component Unit School Board (nonprofessional) recognized pension expense of ($294,623). At June 30, 2022, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 36,441	$ 328,155
Changes of assumptions	649,424	-
Net difference between projected and actual earnings on pension plan investments	-	4,120,218
Employer contributions subsequent to the measurement date	375,379	-
Total	$ 1,061,244	$ 4,448,373

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (nonprofessional): (Continued)

$375,379 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. 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 ended June 30		Component Unit School Board (nonprofessional)
2023	$	(717,339)
2024		(830,332)
2025		(959,836)
2026		(1,255,001)
Thereafter		-

Component Unit School Board (professional):

Plan Description

Additional information related to the plan description, plan contribution requirements, long-term expected rate of return, and discount rate is included in the first section of this note.

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. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined 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 school division were $17,910,347 and $16,033,889 for the years ended June 30, 2022, and June 30, 2021, respectively.

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

At June 30, 2022, the school division reported a liability of $87,983,840 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020, relative to the total of the actuarially-determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was 1.1334% as compared to 1.1640% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of $1,755,728. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the school division 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	$ -	$ 7,493,931
Net difference between projected and actual earnings on pension plan investments	-	55,445,062
Changes of assumptions	15,414,539	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,310,416	3,284,334
Employer contributions subsequent to the measurement date	17,910,347	-
Total	$ 35,635,302	$ 66,223,327

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: (Continued)

$17,910,347 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. 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 ended June 30		
2023	$	(10,888,851)
2024		(9,755,453)
2025		(11,502,644)
2026		(16,358,384)
2027		6,960
Thereafter		-

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates:

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

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

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

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

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

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

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	$	53,381,141
Plan Fiduciary Net Position		45,617,878
Employers' Net Pension Liability (Asset)	$	7,763,263
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		85.46%

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	$ 169,804,048	$ 87,983,840	$ 20,675,791

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

	VRS Pension Plans:			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government	$ 17,887,064	$ 24,354,006	$ 21,958,110	$ 5,997,361
Component Unit School Board				
School Board Nonprofessional	$ 1,061,244	$ 4,448,373	$ (4,081,244)	$ (294,623)
School Board Professional	35,635,302	66,223,327	87,983,840	1,755,728
Totals	$ 36,696,546	$ 70,671,700	$ 83,902,596	$ 1,461,105

NOTE 14—LEGAL COMPLIANCE:

A. Expenditures in Excess of Appropriations

Expenditures did not exceed appropriations in any fund at June 30, 2022.

B. Fund Deficits

There are no funds with deficit balances at June 30, 2022.

NOTE 15—SELF INSURANCE/RISK MANAGEMENT:

The County administers employee health, dental and unemployment insurance programs. The health and dental insurance activity has accounting in an internal service fund. Unemployment programs have accounting in the General and School funds.

Employee Health Insurance:

Albemarle County, Albemarle County School Board, Albemarle County Water and Sewer Authority, and several other entities established a public entity risk pool to provide consolidated health care benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed. The participating agencies have established a reserve fund to meet any potential liability. Each participating agency is responsible for paying amounts billed by the County.

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors.

Changes in the balances of claim liabilities during the current and preceding two years:

Fiscal Year	Claims Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims and Other Payments	Claims Liability End of Year
2022	$ 2,832,647	$ 36,554,872	$ 36,081,597	$ 3,305,922
2021	3,734,552	30,567,865	31,469,770	2,832,647
2020	2,734,993	32,458,818	31,459,259	3,734,552

The following is a summary of revenues and claims expenses for the pool for the last ten years. The pool was formed in fiscal year 1995.

Fiscal Year	Operating Revenue	Nonoperating Revenue	Claims and Related Expenses
2022	$ 31,209,382	$ 52,902	$ 36,081,597
2021	31,079,990	66,029	31,469,770
2020	31,459,259	297,421	32,204,289
2019	31,577,304	416,668	30,654,062
2018	28,309,690	173,258	25,682,418
2017	35,140,020	45,957	29,516,282
2016	31,676,132	20,139	30,859,391
2015	28,808,326	18,766	31,858,143
2014	26,332,765	5,902	30,274,322
2013	24,584,148	7,134	26,347,614

NOTE 15—SELF INSURANCE/RISK MANAGEMENT: (CONTINUED)

Employee Dental Insurance:

Albemarle County, Albemarle County School Board, Albemarle County Water and Sewer Authority and several other entities established a public entity risk pool to provide consolidated Dental Care benefits for their employees. The plan is based on a service contract with a private carrier in which bills are derived from actual expenses incurred or claims filed. The participating agencies have established a reserve fund to meet any potential liability. Each participating agency is responsible for paying amounts billed by the County.

Liabilities for unpaid claims and claim adjustment expenses are estimated based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors.

Fiscal Year	Claims Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claims and Other Payments	Claims Liability End of Year
2022	$ 125,418	$ 1,689,686	$ 1,680,104	$ 135,000
2021	123,202	1,809,993	1,807,777	125,418
2020	138,310	1,812,472	1,827,580	123,202

The following is a summary of revenues and claims expenses for the pool.

Fiscal Year	Operating Revenue	Nonoperating Revenue	Claims and Related Expenses
2022	$ 1,689,686	$ 7,307	$ 1,516,155
2021	1,809,993	6,712	1,529,312
2020	1,812,472	22,875	1,366,975
2019	1,741,854	25,482	1,496,085
2018	1,713,770	8,851	1,577,496
2017	1,685,979	2,869	1,719,941
2016	1,672,045	1,847	1,548,721
2015	1,508,742	1,126	1,619,940
2014	784,539	512	1,516,325
2013	1,268,541	864	1,383,207

Unemployment Insurance:

The County and School Board are responsible for employment claims. The Virginia Employment Commission bills the County for all unemployment claims. The liability for billed but unpaid claims has been accrued in the General and School Funds. No liability has been recorded for estimated unreported claims. The amount of estimated unreported claims is not expected to be significant.

NOTE 15—SELF INSURANCE/RISK MANAGEMENT: (CONTINUED)

Property and Casualty Insurance:

The County contracts with the Virginia Association of Counties Group Self Insurance Risk Pool (VACORP) and the School Board contracts with School Systems of Virginia to provide workers compensation insurance coverage. In the event of a loss deficit and depletion of all assets and available insurance of the Pools, the Pools may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The School Board contracts with private insurance carriers for property damage, employee crime and dishonesty and general liability coverage. The property coverage value amounts are for specific amounts based on values assigned to the insured properties. Liability coverage is $10,000,000.

The County contracts with the Virginia Association of Counties for property, employee crime and dishonesty, general liability, public officials and law enforcement liability coverage. This program is similar to the Virginia Municipal Group Self Insurance Association as described above. Liability coverage is $4,000,000.

Other:

The County has had no reductions in insurance coverage or settlements in excess of insurance coverage for the past three fiscal years.

NOTE 16—SURETY BONDS:

The following County officials are covered by surety bonds in the following amounts:

Virginia Department of Risk Management:	
Jon Zug, Clerk of the Circuit Court	$ 3,000,000
Nelsie L. Birch, Chief Financial Officer	750,000
Chan Bryant, Sheriff	30,000
Director of Finance and Subordinate Employees—Blanket Bond	500,000
United States Fidelity and Guaranty Company - Surety:	
Clerk of the School Board	10,000
Deputy Clerk of the School Board	10,000
Virginia Association of Counties:	
All County Employees,	
Clerk of the Circuit Court, County Executive and Board of Supervisors—Blanket Bond	500,000

NOTE 17—ACCRUED LANDFILL COSTS:

In 1991, the County transferred its share of the joint City-County landfill operations and the related assets and liabilities (including post-closure care and corrective account costs) to the Rivanna Solid Waste Authority. During the fiscal year ended June 30, 2005, the City and County entered in a Cost Sharing Agreement for purposes of paying any of the post-closure care and corrective action costs that the Rivanna Solid Waste Authority may not have the financial resources to pay. Although the County has entered into a Local Government Guarantee on behalf of the Rivanna Solid Waste Authority, the Virginia Department of Environmental Quality has no legal recourse against the County under this guarantee. The Rivanna Solid Waste Authority has the taxing authority to levy a utility tax on each parcel of real estate in the City and County to generate revenue to pay the post-closure care and corrective actions costs.

The County's percentage of shared costs pursuant to the Agreement is 64.5%. The estimated share of the County's post-closure care and corrective action costs is $2,863,322. During the fiscal year ended June 30, 2022, the County paid $1,763,124 to the Rivanna Solid Waste Authority under the terms and contributions of the Cost Sharing Agreement.

NOTE 18—CONSTRUCTION AND OTHER COMMITMENTS:

At June 30, 2022, the County has several construction contracts and other commitments which are summarized as follows:

Project Name	Contract Amount	Expended To date	Balance
Scottsville Elementary Addition and Renovation	$ 8,376,721	$ 8,159,073	$ 217,648
Albemarle HS HVAC	2,078,315	450,171	1,628,144
Red Hill Elementary Gym Addition and Renovation	5,031,217	4,874,259	156,958
Crozet Elementary Addition and Renovation	17,487,533	14,045,183	3,442,350
Sidewalk improvments	3,387,140	1,776,643	1,610,497
COB 5th St. Low Slope Roof Replacement	1,755,616	374,944	1,380,672
Western Albemarle Roof Replacement	996,410	-	996,410
Other construction projects	6,269,530	3,624,364	2,645,166
Total	$ 45,382,482	$ 33,304,637	$ 12,077,845

NOTE 19—MEDICAL AND LIFE INSURANCE – PAY-AS-YOU-GO (OPEB 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 have a separate financial report.

The plan does not issue a publicly-available financial report.

Benefits Provided

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

Plan Membership

At June 30, 2021 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	$	3,429
Total retirees with VERIP		269
Total retirees with County Medical coverage		110
Total	$	3,808

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current 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.

Total OPEB Liability

The County and School Board's total OPEB liability was measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation as of that date.

NOTE 19—MEDICAL AND LIFE INSURANCE – PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	The salary increase rate starts at 3.15% salary increase for 1 year of service and gradually declines to 1.3% salary increase for 20 or more years of service
Discount Rate	1.92%

Mortality rates for Active employees and healthy retirees were based on a RP-2000 Fully Generational Combined Healthy table while mortality rates for disabled retirees were based on a RP-2000 Disabled Mortality Table.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Discount Rate

The final equivalent single discount rate used for this year's valuation is 1.92% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	School Board Total OPEB Liability
Balances at June 30, 2020	$ 13,818,723	$ 28,292,826
Changes for the year:		
Service cost	1,076,081	2,364,201
Interest	314,089	690,070
Difference between expected and actual experience	448,126	984,556
Changes in assumptions	(1,393,972)	(3,062,626)
Benefit payments	(1,055,223)	(2,318,375)
Changes in proportionate share	(585,657)	780,875
Net changes	$ (1,196,556)	$ (561,299)
Balances at June 30, 2021	$ 12,622,167	$ 27,731,527

NOTE 19—MEDICAL AND LIFE INSURANCE – PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (0.92%) or one percentage point higher (2.92%) than the current discount rate:

	Rate		
	1% Decrease (0.92%)	**Current Discount Rate (1.92%)**	**1% Increase (2.92%)**
Primary Government	$ 13,328,700	$ 12,622,167	$ 11,936,645
School Board	$ 29,283,813	$ 27,731,527	$ 26,225,399

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

The following presents the total OPEB liability of the County and School Board, 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 (5.00%) or one percentage point higher (7.00%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5.00%)	**Healthcare Cost Trend (6.00%)**	**1% Increase (7.00%)**
Primary Government	$ 11,569,066	$ 12,622,167	$ 13,827,842
School Board	$ 25,417,812	$ 27,731,527	$ 30,380,454

NOTE 19—MEDICAL AND LIFE INSURANCE – PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, the County and School Board recognized OPEB expense in the amount of $958,665 and $2,465,252 respectively. At June 30, 2022, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 452,981	$ 513,702	$ 995,224	$ 1,128,630
Changes in assumptions	407,517	1,516,644	895,336	3,332,142
Changes in proportion	-	508,472	677,963	-
Total	$ 860,498	$ 2,538,818	$ 2,568,523	$ 4,460,772

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

Year Ended June 30	Primary Government	School Board
2023	$ (431,505)	$ (589,019)
2024	(431,504)	(589,018)
2025	(349,442)	(408,729)
2026	(303,944)	(308,750)
2027	(161,925)	3,267
Thereafter	-	-

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

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

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Plan OPEB.

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,722 as of June 30, 2022.

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $267,333 and $248,668 for the years ended June 30, 2022 and June 30, 2021, respectively, for the County; $59,835 and $51,357 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (nonprofessional); and $606,509 and $542,300 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (professional).

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

At June 30, 2022, the entity reported a liability of $2,596,773, $536,263, and $5,663,132 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.23480%, 0.04610%, and 0.48640% as compared to 0.23170%, 0.04867%, and 0.49566% at June 30, 2020, for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of $154,097, $46,902 and $253,110 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	$ 296,171	$ 19,786
Net difference between projected and actual earnings on GLI OPEB program investments	-	619,794
Change in assumptions	143,159	355,293
Changes in proportion	182,308	2,788
Employer contributions subsequent to the measurement date	267,333	-
Total Primary Government	$ 888,971	$ 997,661
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	$ 61,163	$ 4,086
Net difference between projected and actual earnings on GLI OPEB program investments	-	127,995
Change in assumptions	29,564	73,372
Changes in proportion	123,514	32,138
Employer contributions subsequent to the measurement date	59,835	-
Total Component Unit School Board (nonprofessional)	$ 274,076	$ 237,591
Component Unit School Board (professional)		
Differences between expected and actual experience	$ 645,900	$ 43,150
Net difference between projected and actual earnings on GLI OPEB program investments	-	1,351,668
Change in assumptions	312,207	774,837
Changes in proportion	135,616	116,578
Employer contributions subsequent to the measurement date	606,509	-
Total Component Unit School Board (professional)	$ 1,700,232	$ 2,286,233

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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

$267,333, $59,835 and $606,509 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2023	$ (80,215)	$ (1,486)	$ (257,886)
2024	(50,342)	3,230	(200,848)
2025	(54,436)	1,329	(204,417)
2026	(164,809)	(18,787)	(428,209)
2027	(26,221)	(7,636)	(101,150)
Thereafter	-	-	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.5%
Salary increases, including inflation:	
Teachers	3.5%-5.95%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

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

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

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

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

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

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

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

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

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

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

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

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees

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

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

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

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

The actuarial assumptions used in the June 30, 2020, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	$	1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

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

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NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate: (Continued)

GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	**Current Discount (6.75%)**	**1% Increase (7.75%)**
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 3,793,979	$ 2,596,773	$ 1,629,974
School Board's (nonprofessional) proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 783,500	$ 536,263	$ 336,608
School Board's (professional) proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 8,274,041	$ 5,663,132	$ 3,554,704

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

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

Eligible Employees

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

Benefit Amounts

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: $4.00 per month, multiplied by twice the amount of service credit, or $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Contributions: (Continued)

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate 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 from the school division to the VRS Teacher Employee HIC Plan were $1,358,805 and $1,215,153 for the years ended June 30, 2022, and June 30, 2021, respectively.

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB

At June 30, 2022, the school division reported a liability of $14,575,313 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC was 1.1355% as compared to 1.1636% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of $1,185,801. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB: (Continued)

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 254,338
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	192,001
Change in assumptions	393,997	58,577
Change in proportion	293,347	313,188
Employer contributions subsequent to the measurement date	1,358,805	-
Total	$ 2,046,149	$ 818,104

$1,358,805 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	$ (19,074)
2024	(21,254)
2025	(14,611)
2026	(18,356)
2027	(5,389)
Thereafter	(52,076)

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation	2.5%
Salary increases, including inflation:	
Teacher employees	3.5%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

Pre-Retirement:
Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males

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

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

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

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

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Mortality Rates – Teachers: (Continued)

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$	1,477,874
Plan Fiduciary Net Position		194,305
Teacher Employee net HIC OPEB Liability (Asset)	$	1,283,569
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		13.15%

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

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS 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 VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class is summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

NOTE 21—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate:

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

Sensitivity of the School Division’s Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	**Current Discount (6.75%)**	**1% Increase (7.75%)**
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 16,407,763	$ 14,575,313	$ 13,024,624

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan’s Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	77
Inactive members:	
Vested inactive members	8
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	85
Active members	343
Total covered employees	428

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) 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. The School Board's contractually required employer contribution rate for the year ended June 30, 2022 was 0.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate 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 from the School Board to the HIC Plan were $49,863 and $42,798 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately $2.5 million of additional employer contributions in FY 2021.

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Net HIC OPEB Liability

The School Board's net HIC OPEB liability was measured as of June 30, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

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

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

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

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

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investement Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy 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 ended June 30, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	$ 441,604	$ -	$ 441,604
Changes for the year:			
Service cost	$ 9,612	$ -	$ 9,612
Interest	29,808	-	29,808
Benefit changes	$ -	$ -	$ -
Differences between expected and actual experience	(1)	-	(1)
Assumption changes	13,827	-	13,827
Contributions - employer	-	42,798	(42,798)
Net investment income	-	4,991	(4,991)
Benefit payments	-	-	-
Administrative expenses	-	(187)	187
Other changes	-	-	-
Net changes	$ 53,246	$ 47,602	$ 5,644
Balances at June 30, 2021	$ 494,850	$ 47,602	$ 447,248

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Sensitivity of the School Board's HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Nonprofessional School Board's Net HIC OPEB Liability	$ 497,216	$ 447,248	$ 404,648

HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2022, the School Board recognized HIC Plan OPEB expense of $40,153. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1
Net difference between projected and actual earnings on HIC OPEB plan investments	-	2,842
Change in assumptions	11,132	-
Changes in proportionate share	-	-
Employer contributions subsequent to the measurement date	49,863	-
Total	$ 60,995	$ 2,843

NOTE 22—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

$49,863 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30		
2023	$	1,984
2024		1,984
2025		1,984
2026		1,986
2027		351
Thereafter		-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 23—SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

VRS OPEB Plans:

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Primary Government				
Group Life Insurance Program (Note 20):				
County	$ 888,971	$ 997,661	$ 2,596,773	$ 154,097
County Stand-Alone Plan (Note 19)	860,498	2,538,818	12,622,167	958,665
Totals	$ 1,749,469	$ 3,536,479	$ 15,218,940	$ 1,112,762
Component Unit School Board				
Group Life Insurance Program (Note 20):				
School Board Nonprofessional	$ 274,076	$ 237,591	$ 536,263	$ 46,902
School Board Professional	1,700,232	2,286,233	5,663,132	253,110
Teacher Health Insurance Credit Program (Note 21)	2,046,149	818,104	14,575,313	1,185,801
Nonprofessional Health Insurance Credit Program (Note 22)	60,995	2,843	447,248	40,153
School Stand-Alone Plan (Note 19)	2,568,523	4,460,772	27,731,527	2,465,252
Totals	$ 6,649,975	$ 7,805,543	$ 48,953,483	$ 3,991,218

NOTE 24—LEASES:

Lessee

The School Board entered into a leasing arrangement on May 10, 2018 with Seminole Trail Properties, LLC to lease 42,274 square feet of office and other space for seven years with a commencement date of August 1, 2018 through July 31, 2025. Per the agreement, monthly lease payments are $44,035 during the first year, $45,356 during the second year, $46,717 during the third year, $48,119 during the fourth year, $49,562 during the fifth year, $51,049 during the sixth year, and $52,581 during the seventh year.

The County has elected to use their incremental borrowing rate of 5% as the implicit interest rate which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of June 30, 2022. Pursuant to the implementation of GASBS No. 87, the original right to use asset and the lease liability as of the implementation date of July 1, 2021 was $2,221,532. As of June 30, 2022, the lease liability was $1,745,811 and the right to use asset balance was $1,677,483.

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

Year Ending June 30,	Principal	Interest
2023	$ 517,735	$ 75,566
2024	562,436	48,665
2025	613,008	19,402
2026	52,632	219
	$ 1,745,811	$ 143,852

Lessor

Crozet Library
On May 17, 2021, the County into an agreement with Crozet Sports Community Foundation, Inc. for the use of a section of the Crozet Library building starting on June 1st, 2021 (“effective date”) with a term ending on the fifth anniversary of the effective date. During the first year of the lease, annual lease amount is $33,397, payable in equal monthly installments on the first day of each month. After the first year of the lease, the lease amount for subsequent years of the term of the lease shall be indexed for inflation and shall by calculated by first establishing a fraction, the numerator of which shall be the level of CPI Index as of the first day of that month which is two months before the month in which the effective date occurs in the subsequent years, and the denominator of which shall be the level of the CPI index of the first day of that month which is two months before the initial effective date. The resulting fraction multiplied by the rent agreed upon for the first year of the term of the lease.

The County implemented GASBS No. 87 for the year ended June 30, 2022 and used the original annual lease amount to measure the lease receivable and deferred inflows of resources of $147,477 as of July 1, 2021. In addition, the lease receivable was discounted to a net present value at July 1, 2021 using a 5.0% interest rate, the incremental borrowing rate utilized by the County during the year ended June 30, 2022.

As of June 30, 2022, the lease receivable balance was $118,570. For the year ended June 30, 2022, the County recognized $27,038 in lease revenue, $6,256 in lease interest revenue.

NOTE 24—LEASES: (CONTINUED)

Tower and Ground Space

During 2018, the County entered into an agreement with USCOC of Virginia RSA #3, Inc. for tower and ground space starting on July 1, 2018 and ending on June 30, 2023. On October 22, 2020, the County extended the terms through June 30, 2028. Payment is due annually on July 1st of each year. Original annual payment was $32,508 with annual increase each year of 3%.

The County implemented GASBS No. 87 for the year ended June 30, 2022 and used the incremental increases of 3% each year to measure the lease receivable and deferred inflows of resources of $223,705 as of July 1, 2021. In addition, the lease receivable was discounted to a net present value at July 1, 2021 using a 5.0% interest rate, the incremental borrowing rate utilized by the County during the year ended June 30, 2022.

As of June 30, 2022, the lease receivable balance was $199,368. For the year ended June 30, 2022, the County recognized $31,958 in lease revenue, $11,185 in lease interest revenue.

Future payments due to the County under non-cancelable agreements are as follows for the year ended June 30:

Year Ending June 30,	Principal	Interest
2023	$ 54,726	$ 13,821
2024	58,593	13,811
2025	62,688	9,526
2026	64,240	6,355
2027	37,296	3,885
2028	40,395	2,020
Total	$ 317,938	$ 49,418

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Property taxes	$ 213,892,295	$ 227,793,129	$ 232,723,027	$ 4,929,898
Other local taxes	54,512,543	63,059,072	63,978,126	919,054
Permits, privilege fees and regulatory licenses	2,500,136	2,753,157	3,605,609	852,452
Fines and forfeitures	271,573	272,717	310,213	37,496
Use of money and property	1,226,107	1,379,959	1,476,624	96,665
Charges for services	3,773,259	3,801,773	4,220,164	418,391
Miscellaneous	271,898	692,681	754,684	62,003
Recovered costs	833,141	1,148,141	1,419,539	271,398
Intergovernmental:				
Contribution from School Board	41,183	41,183	41,183	-
Commonwealth	24,802,726	25,346,067	27,685,472	2,339,405
Federal Government	7,135,311	7,275,641	7,572,391	296,750
Total revenues	$ 309,260,172	$ 333,563,520	$ 343,787,032	$ 10,223,512
Expenditures				
Current:				
General Government Administration				
Board of supervisors	$ 710,197	$ 853,406	$ 849,554	$ 3,852
County executive	2,983,199	4,753,325	3,772,862	980,463
Human resources	884,460	1,486,759	1,391,440	95,319
County attorney	1,150,073	1,370,889	1,258,500	112,389
Finance	6,787,114	7,697,167	7,410,883	286,284
Information technology	4,540,639	4,953,291	4,573,039	380,252
Voter registration	1,132,700	1,384,511	987,734	396,777
Other general government	40,000	40,000	39,685	315
Total general government administration	$ 18,228,382	$ 22,539,348	$ 20,283,697	$ 2,255,651
Judicial Administration				
Circuit court	$ 183,005	$ 188,332	$ 152,705	$ 35,627
General district court	40,800	40,800	25,390	15,410
Magistrate	4,575	4,802	4,802	-
Juvenile and domestic relations court	127,769	127,769	127,769	-
Clerk of the circuit court	930,453	1,330,300	1,036,768	293,532
Sheriff	3,018,121	3,285,072	3,112,867	172,205
Commonwealth attorney	1,653,661	1,893,977	1,794,071	99,906
Total judicial administration	$ 5,958,384	$ 6,871,052	$ 6,254,372	$ 616,680
Public Safety				
Police department	$ 20,082,975	$ 21,596,134	$ 20,516,038	$ 1,080,096
Fire and rescue services	19,475,468	20,692,852	19,690,828	1,002,024
Regional jail	4,216,703	4,207,051	4,000,291	206,760
Inspections	1,169,532	1,549,906	1,484,236	65,670
Contributions - various	4,298,844	4,308,269	4,308,111	158
Total public safety	$ 49,243,522	$ 52,354,212	$ 49,999,504	$ 2,354,708
Public Works				
Sanitation and waste removal	$ 309,479	$ 375,454	$ 47,531	$ 327,923
Contribution to RSWA	1,705,559	1,765,559	1,763,124	2,435
Maintenance of buildings and grounds	4,763,734	5,739,027	5,650,509	88,518
Total public works	$ 6,778,772	$ 7,880,040	$ 7,461,164	$ 418,876

Budgetary Comparison Schedule
General Fund (Continued)
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures (Continued)				
Health and Welfare				
Family Services	$ 1,062,170	$ 1,652,376	$ 1,436,735	$ 215,641
Contribution human development	5,150,395	5,180,395	5,197,462	(17,067)
Social services	15,811,200	15,423,994	14,215,644	1,208,350
Total health and welfare	$ 22,023,765	$ 22,256,765	$ 20,849,841	$ 1,406,924
Education				
Appropriation to public school system	$ 146,330,005	$ 158,128,790	$ 159,350,640	$ (1,221,850)
Community college	24,529	24,529	-	24,529
Total education	$ 146,354,534	$ 158,153,319	$ 159,350,640	$ (1,197,321)
Parks, Recreation and Cultural				
Parks and recreation	$ 2,940,338	$ 3,342,862	$ 3,157,930	$ 184,932
Towe park	204,582	229,148	216,941	12,207
Regional library	4,717,255	4,717,255	4,717,255	-
Miscellaneous contributions	659,281	659,281	659,281	-
Total parks, recreation and cultural	$ 8,521,456	$ 8,948,546	$ 8,751,407	$ 197,139
Community Development				
Planning and community development	$ 5,600,057	$ 6,782,581	$ 5,977,848	$ 804,733
Contributions to other agencies	3,361,514	3,361,514	3,361,514	-
Revenue sharing agreement - City of Charlottesville	15,411,834	15,411,834	15,411,834	-
Soil and Water Conservation District	123,200	143,259	143,259	-
Cooperative extension program	370,028	358,321	347,021	11,300
Economic development	877,273	918,177	727,715	190,462
Total community development	$ 25,743,906	$ 26,975,686	$ 25,969,194	$ 1,006,492
Contingencies				
Total contingencies	$ 3,392,808	$ 7,387,514	$ 1,179,255	$ 6,208,259
Total expenditures	$ 286,245,529	$ 313,366,482	$ 300,099,074	$ 13,267,408
Excess (deficiency) of revenues over expenditures	$ 23,014,643	$ 20,197,038	$ 43,687,958	$ 23,490,920
Other Financing Sources (Uses)				
Transfers in	$ 10,835,942	$ 34,939,806	$ 4,195,745	$ (30,744,061)
Transfers (out)	(33,850,585)	(55,136,844)	(55,164,035)	(27,191)
Total other financing sources (uses)	$ (23,014,643)	$ (20,197,038)	$ (50,968,290)	$ (30,771,252)
Net change in fund balance	$ -	$ -	$ (7,280,332)	$ (7,280,332)
Fund balance, beginning of year	-	-	81,519,760	81,519,760
Fund balance, end of year	$ -	$ -	$ 74,239,428	$ 74,239,428

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Budgetary Comparison Schedule
Federal and State Grants Fund
Year Ended June 30, 2022

	Federal and State Grants Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
Revenue from use of money and property	$ 1,650	$ 1,650	$ 1,149	$ (501)
Miscellaneous	102,000	801,590	822,815	21,225
Recovered costs	35,000	46,200	117,002	70,802
Intergovernmental:				
Contribution from School Board	-	-	2,100,000	2,100,000
Revenue from the Commonwealth	7,127,812	10,785,825	7,889,543	(2,896,282)
Revenue from the Federal Government	4,744,661	8,958,875	5,282,185	(3,676,690)
Total revenues	$ 12,011,123	$ 20,594,140	$ 16,212,694	$ (4,381,446)
Expenditures				
Current:				
General Government Administration				
County executive	$ 100,000	$ 165,886	$ 106,447	$ 59,439
Judicial Administration				
Commonwealth attorney	$ -	$ 9,000	$ 2,268	$ 6,732
Total judicial administration	$ -	$ 9,000	$ 2,268	$ 6,732
Public Safety				
Police department	$ 912,192	$ 1,412,018	$ 1,359,999	$ 52,019
Fire-Rescue	592,140	3,628,426	914,328	2,714,098
Total public safety	$ 1,504,332	$ 5,040,444	$ 2,274,327	$ 2,766,117
Health and Welfare				
Comprehensive Services Act programs	$ 10,344,679	$ 11,718,774	$ 11,216,821	$ 501,953
Other	369,000	368,018	2,781	365,237
Total health and welfare	$ 10,713,679	$ 12,086,792	$ 11,219,602	$ 867,190
Parks and Recreation				
Parks and Recreation	$ -	$ 25,000	$ 25,000	$ -
Community Development				
Planning and community development	$ -	$ 5,105	$ 5,105	$ -
Contribution	-	1,200,000	300,000	900,000
Housing programs	3,688,426	4,856,039	3,726,348	1,129,691
Total community development	$ 3,688,426	$ 6,061,144	$ 4,031,453	$ 2,029,691
Total expenditures	$ 16,006,437	$ 23,388,266	$ 17,659,097	$ 5,729,169
Excess (deficiency) of revenues over (under) expenditures	$ (3,995,314)	$ (2,794,126)	$ (1,446,403)	$ 1,347,723
Other financing sources (uses):				
Transfers in	$ 3,993,314	$ 7,281,829	$ 4,946,529	$ (2,335,300)
Transfers (out)	-	(4,882,040)	(404,010)	4,478,030
Total other financing sources (uses)	$ 3,993,314	$ 2,399,789	$ 4,542,519	$ 2,142,730
Net changes in fund balances	$ (2,000)	$ (394,337)	$ 3,096,116	$ 3,490,453
Fund balances at beginning of year	2,000	394,337	5,074,713	4,680,376
Fund balances at end of year	$ -	$ -	$ 8,170,829	$ 8,170,829

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Budgetary Comparison Schedule
CARES ACT and ARPA Fund
Year Ended June 30, 2022

	CARES ACT and ARPA Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance From Final Budget Positive (Negative)**
Revenues:				
Revenue from use of money				
Revenue from the Federal Government	$ -	$ 21,831,430	$ 4,123,132	$ (17,708,298)
Total revenues	$ -	$ 21,831,430	$ 4,123,132	$ (17,708,298)
Expenditures				
Current:				
General Government Administration				
Finance	$ -	$ 95,651	$ 96,886	$ (1,235)
Total general government administration	$ -	$ 95,651	$ 96,886	$ (1,235)
Judicial Administration				
Sheriff's office	$	$ 48,442	$ 41,984	$ 6,458
Public Safety				
Police department	$ -	$ 421,779	$ 363,170	$ 58,609
Fire and rescue services	-	507,032	409,813	97,219
Total public safety	$ -	$ 928,811	$ 772,983	$ 155,828
Public Works				
General services	$ -	$ 350,000	$ 190,810	$ 159,190
Health and Welfare				
Housing	$ -	$ 412,800	$ 87,680	$ 325,120
Social services	-	2,575,000	2,575,000	-
Total health and welfare	$ -	$ 2,987,800	$ 2,662,680	$ 325,120
Parks, Recreation and Cultural				
Convention and visitors bureau	$ -	$ 50,000	$ 50,000	-
Total parks, recreation and cultural	$ -	$ 50,000	$ 50,000	$ -
Community Development				
Economic development	$ -	$ 67,710	$ 67,430	$ 280
Broadband	-	250,000	240,359	9,641
Total community development	$ -	$ 317,710	$ 307,789	$ 9,921
Nondepartmental:				
Other	$ -	$ 12,220,726	$ -	$ 12,220,726
Total expenditures	$ -	$ 16,999,140	$ 4,123,132	$ 12,876,008
Excess (deficiency) of revenues over (under) expenditures	$ -	$ 4,832,290	$ -	$ (4,832,290)
Other financing sources (uses):				
Transfers (out)	$ -	$ (4,900,000)	$ -	$ 4,900,000
Total other financing sources (uses)	$ -	$ (4,900,000)	$ -	$ 4,900,000
Net changes in fund balances	$ -	$ (67,710)	$ -	$ 67,710
Fund balances at beginning of year	-	67,710	-	(67,710)
Fund balances at end of year	$ -	$ -	$ -	$ -

The budgetary data presented above is on the modified accrual basis of accounting which is in accordance with generally accepted accounting principles.

Schedule of Employer's Proportionate Share of the Net Pension Liability
For the Measurement Dates of June 30, 2014 through June 30, 2021

Date (1)	Proportion of the Net Pension Liability (NPL) (2)	Proportionate Share of the NPL (3)	Covered Payroll (4)	Proportionate Share of the NPL as a Percentage of Covered Payroll (3)/(4) (5)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (6)
Primary Government - County Retirement Plan					
2021	94.59%	$ 21,958,110	$ 46,049,559	47.68%	90.34%
2020	95.01%	48,760,745	45,318,590	107.60%	76.95%
2019	95.04%	33,652,890	42,229,160	79.69%	82.70%
2018	94.69%	26,759,287	41,921,141	63.83%	84.98%
2017	94.22%	25,993,600	39,352,233	66.05%	84.45%
2016	94.58%	34,817,580	38,473,766	90.50%	78.49%
2015	93.37%	29,012,729	37,323,375	77.73%	81.12%
2014	93.42%	26,490,296	36,352,047	72.87%	81.67%
Component Unit School Board (professional)					
2021	1.1334%	87,983,840	100,425,892	87.61%	85.46%
2020	1.1640%	169,385,292	102,008,315	166.05%	71.47%
2019	1.1587%	152,492,821	97,216,833	156.86%	73.51%
2018	1.1316%	133,078,000	92,641,849	143.65%	74.81%
2017	1.1229%	138,093,000	89,432,661	154.41%	72.92%
2016	1.1247%	157,621,000	85,955,205	183.38%	68.28%
2015	1.1081%	139,474,000	82,923,869	168.20%	70.88%
2014	1.1100%	134,516,000	81,425,849	165.20%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

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

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 794,724	$ 649,302	$ 591,992	$ 614,260
Interest	2,121,112	2,020,371	1,973,519	1,931,746
Differences between expected and actual experience	(544,047)	465,165	(53,379)	(422,954)
Changes in assumptions	1,076,677	-	822,887	-
Benefit payments, including refunds of employee contributions	(1,643,452)	(1,641,298)	(1,552,154)	(1,500,432)
Net change in total pension liability	$ 1,805,014	$ 1,493,540	$ 1,782,865	$ 622,620
Total pension liability - beginning	32,245,612	30,752,072	28,969,207	28,346,587
Total pension liability - ending (a)	$ 34,050,626	$ 32,245,612	$ 30,752,072	$ 28,969,207
Plan fiduciary net position				
Contributions - employer	$ 324,181	$ 303,793	$ 243,047	$ 298,819
Contributions - employee	436,863	459,364	338,569	330,605
Net investment income	8,317,902	588,194	1,970,730	2,111,330
Benefit payments, including refunds of employee contributions	(1,643,452)	(1,641,298)	(1,552,154)	(1,500,432)
Administrative expense	(20,973)	(20,348)	(20,044)	(18,581)
Other	782	(812)	(1,239)	(1,865)
Net change in plan fiduciary net position	$ 7,415,303	$ (311,107)	$ 978,909	$ 1,219,876
Plan fiduciary net position - beginning	30,716,567	31,027,674	30,048,765	28,828,889
Plan fiduciary net position - ending (b)	$ 38,131,870	$ 30,716,567	$ 31,027,674	$ 30,048,765
School Division's net pension liability(asset) - ending (a) - (b)	$ (4,081,244)	$ 1,529,045	$ (275,602)	$ (1,079,558)
Plan fiduciary net position as a percentage of the total pension liability	111.99%	95.26%	100.90%	103.73%
Covered payroll	$ 9,510,601	$ 10,016,892	$ 7,387,004	$ 7,210,978
School Division's net pension liability as a percentage of covered payroll	-42.91%	15.26%	-3.73%	-14.97%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability(Asset) and Related Ratios (Continued)
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 630,798	$ 637,830	$ 794,863	$ 828,627
Interest	1,858,795	1,923,580	1,817,237	1,720,625
Differences between expected and actual experience	256,654	(2,112,662)	177,527	-
Changes in assumptions	(257,121)	-	-	-
Benefit payments, including refunds of employee contributions	(1,393,503)	(1,355,010)	(1,185,865)	(1,152,293)
Net change in total pension liability	$ 1,095,623	$ (906,262)	$ 1,603,762	$ 1,396,959
Total pension liability - beginning	27,250,964	28,157,226	26,553,464	25,156,505
Total pension liability - ending (a)	$ 28,346,587	$ 27,250,964	$ 28,157,226	$ 26,553,464
Plan fiduciary net position				
Contributions - employer	$ 295,542	$ 493,668	$ 504,909	$ 748,757
Contributions - employee	330,846	320,570	318,408	395,722
Net investment income	3,181,638	453,639	1,171,563	3,512,738
Benefit payments, including refunds of employee contributions	(1,393,503)	(1,355,010)	(1,185,865)	(1,152,293)
Administrative expense	(18,741)	(16,579)	(16,163)	(18,770)
Other	(2,817)	(194)	(247)	185
Net change in plan fiduciary net position	$ 2,392,965	$ (103,906)	$ 792,605	$ 3,486,339
Plan fiduciary net position - beginning	26,435,924	26,539,830	25,747,225	22,260,886
Plan fiduciary net position - ending (b)	$ 28,828,889	$ 26,435,924	$ 26,539,830	$ 25,747,225
School Division's net pension liability(asset) - ending (a) - (b)	$ (482,302)	$ 815,040	$ 1,617,396	$ 806,239
Plan fiduciary net position as a percentage of the total pension liability	101.70%	97.01%	94.26%	96.96%
Covered payroll	$ 6,763,407	$ 6,439,895	$ 6,461,738	$ 7,956,214
School Division's net pension liability as a percentage of covered payroll	-7.13%	12.66%	25.03%	10.13%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions - Pension Plans
Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	$ 6,688,051	$ 6,688,051	$ -	$ 49,478,019	13.52%
2021	6,227,157	6,227,157	-	46,049,559	13.52%
2020	5,333,508	5,333,508	-	45,318,590	11.77%
2019	4,996,779	4,996,779	-	42,229,160	11.83%
2018	4,700,361	4,700,361	-	41,921,141	11.21%
2017	4,611,455	4,611,455	-	39,352,233	12.32%
2016	5,190,111	5,190,111	-	38,473,766	13.49%
2015	5,034,924	5,034,924	-	37,323,375	13.49%
2014	5,085,651	5,085,651	-	36,352,047	13.99%
2013	4,784,341	4,784,341	-	34,198,294	13.99%
Component Unit School Board (nonprofessional)					
2022	$ 375,379	$ 375,379	$ -	$ 11,080,576	3.39%
2021	327,696	327,696	-	9,510,601	3.45%
2020	309,723	309,723	-	10,016,892	3.09%
2019	244,830	244,830	-	7,387,004	3.31%
2018	303,972	303,972	-	7,210,978	4.22%
2017	319,116	319,116	-	6,763,407	4.67%
2016	506,176	506,176	-	6,439,895	7.86%
2015	507,893	507,893	-	6,461,738	7.86%
2014	751,862	751,862	-	7,656,216	9.45%
2013	729,110	729,110	-	7,715,450	9.45%
Component Unit School Board (professional)					
2022	$ 17,910,347	$ 17,910,347	$ -	$ 112,297,914	15.95%
2021	16,033,889	16,033,889	-	100,425,892	15.97%
2020	15,466,883	15,466,883	-	102,008,315	15.16%
2019	15,441,877	15,441,877	-	97,216,833	15.88%
2018	14,568,185	14,568,185	-	92,641,849	15.73%
2017	13,110,828	13,110,828	-	89,432,661	14.66%
2016	12,085,302	12,085,302	-	85,955,205	14.06%
2015	12,023,961	12,023,961	-	82,923,869	14.50%
2014	13,563,583	13,563,583	-	81,425,849	11.66%
2013	13,128,045	13,128,045	-	78,799,790	11.66%

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

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

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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2017 through June 30, 2021

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 1,076,081	$ 981,611	$ 1,050,794	$ 723,249	$ 774,096
Interest	314,089	383,791	450,742	387,976	313,351
Changes in assumptions	(1,393,972)	595,775	(299,632)	(57,999)	(625,399)
Differences between expected and actual experience	448,126	116,289	(738,496)	(371,513)	-
Changes in proportionate share	(585,657)	-	1,225,044	-	-
Amortization and other adjustments	-	-	11,556	-	-
Benefit payments	(1,055,223)	(924,571)	(646,167)	(185,579)	(682,000)
Net change in total OPEB liability	$ (1,196,556)	$ 1,152,895	$ 1,053,841	$ 496,134	$ (219,952)
Total OPEB liability - beginning	13,818,723	12,665,828	11,611,987	11,115,853	11,335,805
Total OPEB liability - ending	$ 12,622,167	$ 13,818,723	$ 12,665,828	$ 11,611,987	$ 11,115,853
Covered-employee payroll	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
County's total OPEB liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Component Unit School Board
For the Measurement Dates of June 30, 2017 through June 30, 2021

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 2,364,201	$ 2,009,785	$ 2,151,422	$ 2,393,181	$ 2,526,114
Interest	690,070	785,783	922,862	900,152	708,431
Changes in assumptions	(3,062,626)	1,219,804	(613,474)	(142,792)	(1,132,386)
Differences between expected and actual experience	984,556	238,093	(1,512,016)	(581,149)	-
Changes in proportionate share	780,875	-	(1,133,608)	-	-
Amortization adjustments	-	-	59,644	-	-
Benefit payments	(2,318,375)	(1,892,994)	(1,322,980)	(1,246,756)	(1,803,000)
Net change in total OPEB liability	$ (561,299)	$ 2,360,471	$ (1,448,150)	$ 1,322,636	$ 299,159
Total OPEB liability - beginning	28,292,826	25,932,355	27,380,505	26,057,869	25,758,710
Total OPEB liability - ending	$ 27,731,527	$ 28,292,826	$ 25,932,355	$ 27,380,505	$ 26,057,869
Covered-employee payroll	$ N/A	$ N/A	$ N/A	$ N/A	$ N/A
County's total OPEB liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

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

Notes to Required Supplementary Information - County and Component Unit School Board OPEB
Year Ended June 30, 2022

Valuation Date: 6/30/2021
Measurement Date: 6/30/2021

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	1.92%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.0% in 2022 and gradually declines to 3.94% by the year 2075
Salary Increase Rates	The salary increase rate starts at 3.15% salary increase for 1 year of service and gradually declines to 1.3% salary increase for 20 or more years of service
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2000 Fully Generational Combined Healthy Table. The mortality rates for disabled retirees and calculated using the RP 2000 Disabled Mortality Table.

Schedule of County and School Board's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2021	0.23480%	$ 2,596,773	$ 46,049,559	5.64%	67.45%
2020	0.23170%	3,674,833	45,299,516	8.11%	52.64%
2019	0.22676%	3,506,896	42,229,160	8.30%	52.00%
2018	0.21740%	3,126,819	41,338,393	7.56%	51.22%
2017	0.21335%	3,211,000	39,352,233	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2021	0.04610%	$ 536,263	$ 9,510,601	5.64%	67.45%
2020	0.04867%	812,223	10,016,892	8.11%	52.64%
2019	0.03768%	613,154	7,387,004	8.30%	52.00%
2018	0.03739%	568,000	7,109,483	7.99%	51.22%
2017	0.03667%	552,000	6,763,407	8.16%	48.86%
Component Unit School Board (professional)					
2021	0.48640%	$ 5,663,132	$ 100,425,892	5.64%	67.45%
2020	0.49566%	8,271,754	102,008,315	8.11%	52.64%
2019	0.49592%	8,069,938	97,216,833	8.30%	52.00%
2018	0.48223%	7,324,000	91,694,292	7.99%	51.22%
2017	0.48126%	7,242,000	88,770,270	8.16%	48.86%

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

Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	$ 267,333	$ 267,333	$ -	$ 49,506,198	0.54%
2021	248,668	248,668	-	46,049,559	0.54%
2020	235,652	235,652	-	45,299,516	0.52%
2019	219,680	219,680	-	42,229,160	0.52%
2018	216,613	216,613	-	41,338,393	0.52%
2017	204,632	204,632	-	39,352,233	0.52%
Component Unit School Board (nonprofessional)					
2022	$ 59,835	$ 59,835	$ -	$ 11,080,576	0.54%
2021	51,357	51,357	-	9,510,601	0.54%
2020	52,088	52,088	-	10,016,892	0.52%
2019	38,412	38,412	-	7,387,004	0.52%
2018	37,254	37,254	-	7,109,483	0.52%
2017	35,170	35,170	-	6,763,407	0.52%
Component Unit School Board (professional)					
2022	$ 606,509	$ 606,509	$ -	$ 112,316,451	0.54%
2021	542,300	542,300	-	100,425,892	0.54%
2020	530,443	530,443	-	102,008,315	0.52%
2019	505,528	505,528	-	97,216,833	0.52%
2018	480,478	480,478	-	91,694,292	0.52%
2017	461,605	461,605	-	88,770,270	0.52%

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	1.1355%	$ 14,575,313	$ 100,425,892	14.51%	13.15%
2020	1.1636%	15,179,094	102,008,315	14.88%	9.95%
2019	1.1591%	15,174,269	97,225,436	15.61%	8.97%
2018	1.1338%	14,395,000	91,694,292	15.70%	8.08%
2017	1.1247%	14,267,000	88,757,889	16.07%	7.04%

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

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 1,358,805	$ 1,358,805	$ -	$ 112,297,914	1.21%
2021	1,215,153	1,215,153	-	100,425,892	1.21%
2020	1,224,100	1,224,100	-	102,008,315	1.20%
2019	1,166,705	1,166,705	-	97,225,436	1.20%
2018	1,127,840	1,127,840	-	91,694,292	1.23%
2017	985,213	985,213	-	88,757,889	1.11%

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

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2020 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Schedule of Changes in the School Board Nonprofessional's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2021

	2021	2020
Total HIC OPEB Liability		
Service cost	$ 9,612	$ -
Interest	29,808	-
Changes in benefit terms	-	-
Differences between expected and actual experience	(1)	-
Changes of assumptions	13,827	441,604
Benefit payments	-	-
Net change in total HIC OPEB liability	$ 53,246	$ 441,604
Total HIC OPEB Liability - beginning	441,604	-
Total HIC OPEB Liability - ending (a)	$ 494,850	$ 441,604
Plan fiduciary net position		
Contributions - employer	$ 42,798	$ -
Net investment income	4,991	-
Benefit payments	-	-
Administrator charges	(187)	-
Other	-	-
Net change in plan fiduciary net position	$ 47,602	$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	$ 47,602	$ -
County's net HIC OPEB liability - ending (a) - (b)	$ 447,248	$ 441,604
Plan fiduciary net position as a percentage of the total HIC OPEB liability	9.62%	0.00%
Covered payroll	$ 9,510,601	$ 10,016,892
County's net HIC OPEB liability as a percentage of covered payroll	4.70%	4.41%

Schedule is intended to show information for 10 years. Information prior to the 2020 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions - School Board Nonprofessional
Health Insurance Credit (HIC) Plan
Years Ended June 30, 2021 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 49,863	$ 49,863	$ -	$ 11,080,576	0.45%
2021	42,798	42,798	-	9,510,601	0.45%

Schedule is intended to show information for 10 years. Information prior to 2021 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information -
Health Insurance Credit (HIC) Plan
Year Ended June 30, 2022

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 though June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

APPENDIX E

FORM OF BOND COUNSEL OPINION

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Set forth below is the proposed form of opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel. It is preliminary and subject to change prior to the delivery of the Series 2023 Bonds.

[Closing Date]

Economic Development Authority
of Albemarle County, Virginia
Charlottesville, Virginia

Board of Supervisors
Albemarle County
Charlottesville, Virginia

Economic Development Authority of Albemarle County, Virginia

$109,305,000	**$58,850,000**
Public Facility Revenue Bonds	**Public Facility Revenue Notes**
(Albemarle County Projects)	**(Albemarle County Projects)**
Series 2023A (Tax-Exempt)	**Series 2023B (Federally Taxable)**

Ladies and Gentlemen:

We have examined the applicable law, including the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended) (the "Act") and certified copies of proceedings and documents relating to the organization of the Economic Development Authority of Albemarle County, Virginia (the "Authority"), and the issuance and sale by the Authority of its $109,305,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2023A (Tax-Exempt) (the "Series 2023A Bonds"), and its $58,850,000 Public Facility Revenue Notes (Albemarle County Projects), Series 2023B (Federally Taxable) (the "Series 2023B Notes" and, together with the Series 2023A Bonds, the "Series 2023 Bonds"), for the benefit of the County of Albemarle, Virginia (the "County"). Reference is made to the forms of the Series 2023 Bonds for information concerning their details, including payment and redemption provisions, and the proceedings pursuant to which they are issued. Terms used but not otherwise defined herein have the same meanings assigned to such terms in the Agreement of Trust dated as of March 1, 2003 (the "Master Trust Agreement"), between the Authority and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), as previously supplemented and amended and as further supplemented by an Eighth Supplemental Agreement of Trust dated as of November 1, 2023 (the "Eighth Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement").

The Series 2023 Bonds are being issued pursuant to the Trust Agreement on a parity with the outstanding principal amounts of the Authority's $38,880,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2015B, $22,240,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2017, $66,710,000 Public Facility Revenue and Refunding Bonds (Albemarle County Projects), Series 2021A (Federally Tax-Exempt), $8,235,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2021B (Federally Taxable), and $16,920,000 Public Facility Revenue Refunding Bonds (Albemarle County Projects), Series 2022 (collectively, the "Existing Parity Bonds"), in order to loan funds to the County, pursuant to the terms of a Financing Agreement dated as of March 1, 2003, as previously supplemented and as further supplemented by a Seventh Supplemental Financing Agreement dated as of November 1, 2023 (together, the "Financing Agreement"), between the Authority and the County. The proceeds of such loan will be used to (a) finance certain capital projects, and (b) pay the related costs of issuance.

The Financing Agreement provides for the County to make Basic Payments to the Authority in amounts and on dates expected to be sufficient for payment of principal of and interest on all Bonds (including the Series 2023 Bonds) outstanding under the Trust Agreement. Pursuant to the Trust Agreement, the Authority has assigned certain of its rights under the Financing Agreement, including the right to receive Basic Payments and certain Additional Payments, to the Trustee as security for the Bonds (including the Series 2023 Bonds).

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the Authority and the County as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Authority and the County have covenanted to comply with the current provisions of the Code, regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2023A Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2023A Bonds, all as set forth in the proceedings and documents relating to the issuance of the Series 2023A Bonds (the "Covenants").

Based on the foregoing, in accordance with customary opinion practice and assuming due authorization, execution and delivery of the Documents (as hereinafter defined) by the Trustee, we are of the opinion that:

1. The Authority is a political subdivision of the Commonwealth duly created under the Act and is vested with all rights and powers conferred by the Act.

2. The Series 2023 Bonds (a) have been duly authorized and issued in accordance with the Act and constitute valid and binding limited obligations of the Authority payable as to principal, premium, if any, and interest solely from certain payments made by the County under the Financing Agreement and other funds pledged under the Trust Agreement and (b) are secured on parity with the Existing Parity Bonds and any additional bonds subsequently issued on a parity with the Series 2023 Bonds and the Existing Parity Bonds as provided in the Trust Agreement. The Series 2023 Bonds do not create or constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County.

3. The Trust Agreement and the Financing Agreement (collectively, the "Documents") have been duly authorized, executed and delivered, constitute valid and binding obligations of the Authority and the County, as applicable, and are enforceable against the Authority and the County in accordance with their terms. The Eighth Supplemental Trust Agreement and the Seventh Supplemental Financing Agreement are authorized or permitted by the Master Trust Agreement and comply with its terms. The undertaking by the County to make payments under the Financing Agreement is subject to and dependent upon appropriations made by the Board of Supervisors of the County from time to time of sufficient funds for such purpose. Such undertaking constitutes neither a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the Board of Supervisors has appropriated moneys for such purpose.

4. The rights of holders of the Series 2023 Bonds and the enforceability of such rights, including the enforcement by the Trustee of the obligations of the Authority and the County under the Documents, as applicable, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity, and by public policy.

5. Under current law, interest on the Series 2023A Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, and (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. The opinion in (a) and (b) of the preceding sentence is subject to the condition that there is compliance subsequent to the issuance of the Series 2023A Bonds with all requirements of the Code that must be satisfied in order that interest on the Series 2023A Bonds not be included in gross income for federal income tax purposes. Failure by the Authority and the County to comply with the Covenants, among other things, could cause interest on the Series 2023A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The Authority and the County may in their discretion, but have not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Series 2023A Bonds remain excludable from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences of the ownership of or receipt or accrual of interest on the Series 2023A Bonds. Further, we express no opinion as to the treatment for federal income tax purposes of any interest paid on the Series 2023A Bonds after an event of default or non-appropriation by the Board of Supervisors of the County resulting in a termination of the Financing Agreement.

6. Interest on the Series 2023B Notes is not excludable from gross income for federal income tax purposes. We express no opinion regarding the federal tax consequences of ownership of or receipt or accrual of interest on the Series 2023B Notes.

6. Under current law, interest on the Series 2023 Bonds is exempt from income taxation by the Commonwealth of Virginia and any political subdivision thereof.

The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. Our services as bond counsel to the Authority have been limited to rendering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the Series 2023 Bonds and the tax status of interest thereon. Our services have not included financial or other non-legal advice. We express no opinion herein as to the financial resources of the Authority or the County, the ability or willingness of the County to make payments under the Financing Agreement or the accuracy or completeness of any information, including the Authority's Preliminary Official Statement dated October 19, 2023, and its Official Statement dated October 26, 2023, that may have been relied upon by anyone in making the decision to purchase Series 2023 Bonds. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law or the interpretation thereof that may hereafter occur or become effective.

Very truly yours,

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of November 15, 2023 (the "Disclosure Agreement"), is executed and delivered by the Board of Supervisors of Albemarle County, Virginia, on behalf of the County of Albemarle, Virginia (the "County"), in connection with the issuance by the Economic Development Authority of Albemarle County, Virginia (the "Issuer"), of its $109,305,000 Public Facility Revenue Bonds (Albemarle County Projects), Series 2023A (Tax-Exempt) (the "Series 2023A Bonds"), and its $58,850,000 Public Facility Revenue Notes (Albemarle County Projects), Series 2023B (Federally Taxable) (the "Series 2023B Notes" and, together with the Series 2023A Bonds, the "Series 2023 Bonds"). The County hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the Series 2023 Bonds and in order to assist the original purchasers of the Series 2023 Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") by providing certain annual financial information and event notices required by the Rule (collectively, the "Continuing Disclosure").

Section 2. Annual Disclosure. (a) The County shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) financial statements of the County, prepared in accordance with generally accepted accounting principles; and

(ii) to the extent not included in (a)(i) above, certain financial and operating data with respect to the County generally of the type described in Appendix C of the Issuer's Official Statement dated October 26, 2023 (the "Official Statement"), in the sections entitled "Five Year Summary of Revenues, Expenditures and Fund Balances," "TAX BASE DATA" and "DEBT MANAGEMENT."

If the financial statements filed pursuant to Section 2(a)(i) are not audited at the time initially filed, the County shall subsequently file such statements as audited when available.

(b) The County shall file annually with the Municipal Securities Rulemaking Board ("MSRB") the financial information and operating data described in subsection (a) above (collectively, the "Annual Disclosure") no later than the March 1 following the end of the County's preceding fiscal year, commencing with the County's fiscal year ending June 30, 2023.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The County shall file with the MSRB in a timely manner the notice specifying any failure of the County to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The County shall file with the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancement reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2023A Bonds, or other material events affecting the tax status of the Series 2023A Bonds;

(g) modifications to rights of holders of the Series 2023 Bonds, if material;

(h) bond calls, if material, and tender offers;

(i) defeasances of all or any portion of the Series 2023 Bonds;

(j) release, substitution, or sale of property securing repayment of the Series 2023 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the County;*

(m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation (as hereinafter defined) of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect holders of the Series 2023 Bonds, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the County, any of which reflect financial difficulties.

The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Nothing in this Section (3) shall require the County to maintain any debt service reserve, credit enhancement or credit or liquidity providers with respect to the Series 2023 Bonds or to pledge any property as security for repayment of the Series 2023 Bonds.

Section 4. Termination. The obligation of the County hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Series 2023 Bonds.

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* For the purposes of the event identified in Subsection (3)(l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

Section 5. Amendment. The County may modify its obligations hereunder without the consent of bondholders, provided that the County receives an opinion of nationally recognized bond counsel to the effect that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The County shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the County fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) of the Series 2023 Bonds then outstanding may, by notice to the County, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the County's covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the County to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Series 2023 Bonds or the Trust Agreement (as defined in the Official Statement) providing for the issuance of the Series 2023 Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The County may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the County shall not incur any obligation to continue to provide or to update such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

BOARD OF SUPERVISORS OF ALBEMARLE COUNTY, VIRGINIA, ON BEHALF OF THE COUNTY OF ALBEMARLE, VIRGINIA

____
Chair

____
County Executive

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APPENDIX G

BOOK ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2023 Bonds, payments of principal of and premium, if any and interest on the Series 2023 Bonds to The Depository Trust Company, New York, New York ("DTC"), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the Series 2023 Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of the Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2023 Bonds are to be accomplished by entries made on the books of the Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2023 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and premium, if any, and interest on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Trustee subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and premium, if any, and interest on the Series 2023 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2023 Bond certificates will be printed and delivered.

The Authority, at the direction of the County, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2023 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the County believe to be reliable, but the Authority and the County take no responsibility for the accuracy thereof.

Neither the Authority, the County nor the Trustee has any responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Series 2023 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Trust Agreement to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Series 2023 Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2023 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Series 2023 Bonds for all purposes under the Trust Agreement.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2023 Bonds without the consent of Beneficial Owners or Bondholders.