

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
 EMERGENCY COMMUNICATIONS CENTER
 FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

**TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS
COUNTY OF ALBEMARLE, VIRGINIA AS FISCAL AGENT FOR
CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY EMERGENCY COMMUNICATIONS CENTER
CHARLOTTESVILLE, VIRGINIA**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Charlottesville-UVA-Albemarle County Emergency Communications Center, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of Charlottesville-UVA-Albemarle County Emergency Communications Center, as of June 30, 2022, and the 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 Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Charlottesville-UVA-Albemarle County Emergency Communications Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Charlottesville-UVA-Albemarle County Emergency Communications Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Authorities, Boards, and Commissions* 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 Authorities, Boards, and Commissions*, 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 Charlottesville-UVA-Albemarle County Emergency Communications Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Charlottesville-UVA-Albemarle County Emergency Communications Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Required Supplementary Information (Continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Charlottesville-UVA-Albemarle County Emergency Communications Center's basic financial statements. The accompanying other supplementary information is 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2023, on our consideration of Charlottesville-UVA-Albemarle County Emergency Communications Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 Charlottesville-UVA-Albemarle County Emergency Communications Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Charlottesville-UVA-Albemarle County Emergency Communications Center's internal control over financial reporting and compliance.

Robinson, Fournel, Cox Associates

Charlottesville, Virginia
October 6, 2023

- Basic Financial Statements -

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Statement of Net Position
As of June 30, 2022**

Assets:	
Current assets:	
Cash and cash equivalents	\$ 4,128,835
Accounts receivable	280,586
Due from other governments	-
Prepaid expenses	86,514
Total current assets	<u>\$ 4,495,935</u>
Capital assets:	
Land and construction in progress	\$ 5,003,406
Other capital assets, net of accumulated depreciation	1,182,741
Total capital assets, net	<u>\$ 6,186,147</u>
Total assets	<u>\$ 10,682,082</u>
Deferred outflows of resources:	
OPEB related outflows	\$ 89,463
Pension related outflows	1,210,400
Total deferred outflows of resources	<u>\$ 1,299,863</u>
Total assets and deferred outflows of resources	<u><u>\$ 11,981,945</u></u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 239,484
Compensation payable	168,722
Current portion of compensated absences	25,512
Total current liabilities	<u>\$ 433,718</u>
Noncurrent liabilities:	
Noncurrent portion of compensated absences	\$ 229,605
Net pension liability	1,215,388
Net OPEB liabilities	768,518
Total noncurrent liabilities	<u>\$ 2,213,511</u>
Total liabilities	<u>\$ 2,647,229</u>
Deferred inflows of resources:	
OPEB related inflows	\$ 221,279
Pension related inflows	1,361,477
Total deferred inflows of resources	<u>\$ 1,582,756</u>
Net Position:	
Investment in capital assets	\$ 6,186,147
Unrestricted	1,565,813
Total net position	<u>\$ 7,751,960</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 11,981,945</u></u>

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

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

Operating revenues:	
Intergovernmental:	
Charges for services:	
City of Charlottesville	\$ 1,767,384
County of Albemarle	3,174,537
University of Virginia	1,625,725
Charlottesville-Albemarle Airport Authority	28,556
Albemarle-Charlottesville Regional Jail	13,351
Rivanna Water and Sewer Authority	12,980
Other	27,818
Total charges for services	<u>\$ 6,650,351</u>
Miscellaneous	<u>95,639</u>
Total operating revenues	<u>\$ 6,745,990</u>
Operating expenses:	
Personnel	\$ 3,557,842
Payroll taxes and fringe benefits	894,328
Contractual services	1,536,089
Other charges	3,371,973
Depreciation	<u>389,666</u>
Total operating expenses	<u>\$ 9,749,898</u>
Operating loss	<u>\$ (3,003,908)</u>
Nonoperating revenues:	
Revenue from the use of money and property	\$ 17,667
Commonwealth of Virginia	<u>762,075</u>
Total nonoperating revenues	<u>\$ 779,742</u>
Loss before contributions	<u>\$ (2,224,166)</u>
Capital contributions:	
City of Charlottesville	\$ 561,469
County of Albemarle	1,018,090
University of Virginia	311,306
Other contributions	<u>129,590</u>
Total capital contributions	<u>\$ 2,020,455</u>
Change in net position	\$ (203,711)
Net position, beginning of year	<u>7,955,671</u>
Net position, end of year	<u><u>\$ 7,751,960</u></u>

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Statement of Cash Flows
Year Ended June 30, 2022**

Cash flows from operating activities:	
Operating receipts	\$ 6,940,390
Payments to and for employees	(4,522,783)
Payments to suppliers and others	<u>(5,879,935)</u>
Net cash (used for) operating activities	<u>\$ (3,462,328)</u>
Cash flows from investing activities:	
Investment income	\$ 13,461
Rental income	<u>4,206</u>
Net cash provided by investing activities	<u>\$ 17,667</u>
Cash flows from noncapital financing activities:	
Receipts from state grants	<u>\$ 762,075</u>
Cash flows from capital financing activities:	
Purchases of capital assets	\$ (45,958)
Capital contributions	<u>2,087,535</u>
Net cash provided by (used for) capital and related financing activities	<u>\$ 2,041,577</u>
Net change in cash and cash equivalents	\$ (641,009)
Cash and cash equivalents, beginning of year	<u>4,769,844</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,128,835</u></u>
Reconciliation of operating loss to net cash (used for) operating activities:	
Operating loss	\$ (3,003,908)
Adjustments to reconcile operating loss to net cash (used for) operating activities:	
Depreciation	389,666
Changes in assets, liabilities, and deferred inflows/outflows of resources:	
Accounts receivable	194,400
Prepaid expenses	(74,371)
Accounts payable	(897,502)
Compensation payable	129,643
Deferred outflows of resources	(213,627)
Deferred inflows of resources	1,422,394
Net pension liability	(1,227,433)
Compensated absences	(18,510)
Net OPEB liabilities	<u>(163,080)</u>
Net cash (used for) operating activities	<u><u>\$ (3,462,328)</u></u>

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022

NOTE 1—NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Nature of Operations:

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

B. Financial Reporting Entity:

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

C. Basis of Accounting:

The Center operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues are charges for services. Operating expenses include the cost of providing services and comprise administrative and depreciation expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents:

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

E. Capital Assets:

Capital assets consist of property, equipment, and leasehold improvements and are valued at historical cost or estimated historical cost if actual historical cost is not available. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Donated fixed assets are valued at their acquisition value on the date donated. Depreciation is provided on the straight-line method over the estimated useful lives as follows:

Leasehold improvements	15-20 years
Vehicles	5 years
Communications equipment	5-10 years

Depreciation expense amounted to \$389,666 for 2022.

F. Construction in Progress:

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

G. Use of Estimates:

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

H. Net Position:

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

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

I. Net Position Flow Assumption:

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

J. Compensated Absences:

The Center accrues compensated absences (annual and sick leave benefits) when vested. The current and noncurrent portions of the compensated absences are recorded as accrued liabilities.

K. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 Center has one type of item that qualifies for reporting in this category. It 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. Deferred inflows of resources represent 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 Center has one type of item that qualifies for reporting in this category. Certain items related to the pension, OPEB and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

L. 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 Center's Retirement Plan and the additions to/deductions from the Center'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.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

M. Other Postemployment Benefits (OPEB):

Group Life Insurance

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 Plan and the additions to/deductions from the VRS OPEB Plans' fiduciary net 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 2—DEPOSITS AND INVESTMENTS:

The Center's cash and cash equivalents are a part of the pooled cash and investments of the County of Albemarle, the Center's fiscal agent. The components of the Center's cash and equivalents as to bank and investment balances are not identifiable. The portion of the County's cash and investments which are applicable to the Center consist of deposits covered by FDIC insurance, the Virginia Security for Public Deposits Act, or are a part of the County's investments in the Virginia Local Government Investment Pool. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Of the bank balances, no amounts were uninsured and uncollateralized in banks and savings and loans not qualifying under the Act at June 30, 2020.

NOTE 3—DUE FROM OTHER GOVERNMENTS:

Receivables and amounts due from other governments are as follows:

Due from other governmental units:		
City of Charlottesville	\$	-
University of Virginia		-
Total due from other governmental units	\$	<u><u>-</u></u>

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 4—CAPITAL ASSETS:

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

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 90,027	\$ -	\$ -	\$ 90,027
Construction in progress*	4,913,379	-	-	4,913,379
Total capital assets not being depreciated	<u>\$ 5,003,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,003,406</u>
Other capital assets:				
Buildings	\$ 282,281	\$ -	\$ -	\$ 282,281
Leasehold improvements	159,138	-	-	159,138
Vehicles	77,915	45,958	-	123,873
Communications equipment	23,129,478	-	-	23,129,478
Total other capital assets	<u>\$ 23,648,812</u>	<u>\$ 45,958</u>	<u>\$ -</u>	<u>\$ 23,694,770</u>
Accumulated depreciation:				
Buildings	\$ 128,597	\$ 18,819	\$ -	\$ 147,416
Leasehold improvements	159,138	-	-	159,138
Vehicles	69,357	21,316	-	90,673
Communications equipment	21,765,271	349,531	-	22,114,802
Total accumulated depreciation	<u>\$ 22,122,363</u>	<u>\$ 389,666</u>	<u>\$ -</u>	<u>\$ 22,512,029</u>
Other capital assets, net	<u>\$ 1,526,449</u>	<u>\$ (343,708)</u>	<u>\$ -</u>	<u>\$ 1,182,741</u>
Net capital assets	<u>\$ 6,529,855</u>	<u>\$ (343,708)</u>	<u>\$ -</u>	<u>\$ 6,186,147</u>

*Construction in progress relates primarily to engineering, furnishing and installation of a mobile data computer system.

NOTE 5—LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term obligations transactions for fiscal year ended June 30, 2022:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
Compensated absences	\$ 273,627	\$ 8,853	\$ 27,363	\$ 255,117	\$ 25,512
Net pension liability	2,442,821	1,855,263	3,082,696	1,215,388	-
Net OPEB liabilities	831,598	123,572	159,284	795,886	-
Total Long-Term Obligations	<u>\$ 3,548,046</u>	<u>\$ 1,987,688</u>	<u>\$ 3,269,343</u>	<u>\$ 2,266,391</u>	<u>\$ 25,512</u>

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 6—REVENUES:

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

NOTE 7—COMPENSATED ABSENCES:

In accordance with GASB, the Center has accrued the liability arising from compensated absences. Center employees earn vacation and sick leave based upon length of service. The Center has outstanding accrued compensated absences totaling \$255,117.

NOTE 8—PENSION PLAN:

Plan Description

All full-time, salaried permanent employees of the Center are automatically covered by a VRS Retirement Plan upon employment through the County of Albemarle, Virginia. 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. 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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Benefit Structures (Continued)

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.

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.

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

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 Center's contractually required employer 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, 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 Center were \$344,675 and \$344,675 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

At June 30, 2022, the Center reported a liability of \$1,215,388 for its proportionate share of the net pension liability. The Center'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 June 30, 2018 and rolled forward to the measurement date of June 30, 2019. The Center's proportionate share of the same was calculated using retirement contributions as of June 30, 2021 and 2020 as a basis for allocation. At June 30, 2021 and 2020, the Center's proportion was 4.76% and 4.76%, respectively.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the Center'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	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees (Continued)

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality 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) - 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

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 8—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 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%
Private Equity	14.00%	4.76%	0.67%
Real Assets	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partners	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%.

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 8—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 Center 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 Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Rate		
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
Center's proportionate share of Albemarle retirement Plan Net Pension Liability (Asset)	\$ 2,950,256	1,215,388	\$ (209,579)

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

For the year ended June 30, 2022, the Center recognized pension expense of \$377,487. 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.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2022, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 167,792	\$ 114,262
Change in assumptions	429,188	-
Net difference between projected and actual earnings on pension plan investments	-	1,247,215
Differences in proportionate share of net pension liabilities	244,310	-
Employer contributions subsequent to the measurement date	369,110	-
Total	<u>\$ 1,210,400</u>	<u>\$ 1,361,477</u>

\$369,110 reported as deferred outflows of resources related to pensions resulting from the Center’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2023	\$ 43,063
2024	(30,601)
2025	(161,990)
2026	(370,659)
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also 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 9—FISCAL AGENT:

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—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 group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, 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 plan. 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.

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—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 Group Life Insurance Plan from the entity were \$14,797 and \$12,458 for the years ended June 30, 2022 and June 30, 2021, respectively.

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Plan OPEB

At June 30, 2022, the entity reported a liability of \$183,258 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 .0110% as compared to .0113% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$5,566. 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.

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,838	\$ 991
Net difference between projected and actual earnings on GLI OPEB program investments	-	31,051
Change in assumptions	7,172	17,800
Changes in proportion	9,133	140
Employer contributions subsequent to the measurement date	14,797	-
Total	<u>\$ 45,940</u>	<u>\$ 49,982</u>

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—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 Group Life Insurance Plan OPEB: (Continued)

\$14,797 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:

<u>Year Ended June 30</u>		
2023	\$	(4,019)
2024		(2,522)
2025		(2,727)
2026		(8,257)
2027		(1,314)
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	2.50%
Salary increases, including inflation:	
General state employees	3.50% - 5.35%
Hazardous Duty employees	3.50% - 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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—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:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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
Withdrawal Rates	Adjusted rates to better fit experience at each age
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - Hazardous Duty 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:

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

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):

	<u>GLI OPEB Plan</u>
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 1,164,272</u>
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.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—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 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 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%.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 10—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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 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 <u>(5.75%)</u>	Current Discount <u>(6.75%)</u>	1% Increase <u>(7.75%)</u>
Center’s proportionate share of the GLI Program Net OPEB Liability	\$ 190,072	\$ 130,094	\$ 81,659

Group Life Insurance 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 <http://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.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 11—MEDICAL AND LIFE INSURANCE - PAY-AS-YOU-GO (OPEB):

Plan Description

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

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.

Contributions

The Center 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 Charlottesville-UVA-Albemarle County Emergency Communications Center's total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 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%

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 11—MEDICAL AND LIFE INSURANCE - PAY-AS-YOU-GO (OPEB): (CONTINUED)

Actuarial Assumptions: (Continued)

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 2.45% as of the end of the fiscal year and is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at June 30, 2020	\$ 748,340
Changes for the year:	
Service cost	54,430
Interest	15,886
Amortization adjustments	-
Difference between expected and actual experience	22,666
Benefit payments	(53,373)
Changes in proportionate share	(79,018)
Changes in assumptions	(70,507)
Net changes	\$ (109,916)
Balances at June 30, 2021	\$ <u>638,424</u>

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

The following amounts present the total OPEB liability of the Charlottesville-UVA-Albemarle County Emergency Communications Center, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (.92%) or one percentage point higher (2.92%) than the current discount rate:

	<u>Rates</u>		
	<u>1% Decrease (0.92%)</u>	<u>Current Discount Rate (1.92%)</u>	<u>1% Increase (2.92%)</u>
\$	674,160	638,424	\$ 603,750

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 11—MEDICAL AND LIFE INSURANCE - PAY-AS-YOU-GO (OPEB): (CONTINUED)

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

The following presents the total OPEB liability of the Charlottesville-UVA-Albemarle County Emergency Communications Center, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (2.94%)	Healthcare Cost Trend (3.94%)	1% Increase (4.94%)
\$ 585,158	\$ 638,424	\$ 699,406

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, the Charlottesville-UVA-Albemarle County Emergency Communications Center recognized OPEB expense in the amount of \$39,913. At June 30, 2022, the Charlottesville-UVA-Albemarle County Emergency Communications Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,911	\$ 25,983
Changes in assumptions	20,612	76,711
Employer contributions subsequent to the Changes in proportion		68,603
Total	<u>\$ 43,523</u>	<u>\$ 171,297</u>

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	
2023	\$ (30,403)
2024	(30,402)
2025	(26,250)
2026	(23,951)
2027	(16,768)
Thereafter	-

Additional disclosures on changes in total OPEB liability and related ratios can be found in the required supplementary information following the notes to the financial statements.

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

Notes to Financial Statements
As of June 30, 2022 (Continued)

NOTE 12—SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES:

	OPEB Plans:			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Group Life Insurance Program	\$ 45,940	\$ 49,982	\$ 130,094	\$ 7,720
Stand-Alone Plan	43,523	171,297	638,424	39,913
	<u>\$ 89,463</u>	<u>\$ 221,279</u>	<u>\$ 768,518</u>	<u>\$ 47,633</u>

NOTE 13—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 fiscal years beginning after June 15, 2022.

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.

- Required Supplementary Information -

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Schedule of Center'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)
2021	5.24%	\$ 1,215,388	\$ 2,537,628	47.89%	82.70%
2020	4.76%	2,442,821	2,270,170	107.61%	76.95%
2019	4.74%	1,678,220	2,106,746	79.66%	82.70%
2018	5.07%	1,431,592	2,389,359	59.92%	84.98%
2017	5.78%	1,595,710	2,274,559	70.15%	84.45%
2016	5.42%	1,994,229	2,085,278	95.63%	78.49%
2015	5.72%	1,759,698	2,550,811	68.99%	81.12%
2014	6.01%	1,693,868	2,350,779	72.06%	81.67%

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.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Schedule of Employer Contributions - Pension Plan
Years Ended June 30, 2015 through June 30, 2022**

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$ 369,110	\$ 369,110	-	\$ 2,730,670	13.58%
2021	344,675	344,675	-	2,537,628	13.58%
2020	267,199	267,199	-	2,270,170	11.77%
2019	249,182	249,182	-	2,106,746	11.83%
2018	251,469	251,469	-	2,389,359	10.52%
2017	283,088	283,088	-	2,274,559	12.45%
2016	281,167	281,167	-	2,085,278	13.48%
2015	288,697	288,697	-	2,550,811	11.32%

Schedule is intended to show information for 10 years. Information prior to the 2015 valuation is not available. However, additional years will be included as they become available.

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

Notes to Required Supplementary Information - Pension 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 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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Schedule of Center's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan**

For the Measurement Dates of June 30, 2017 through June 30, 2021

<u>Date</u>	<u>Employer's Proportion of the Net GLI OPEB Liability</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4)</u>	<u>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</u>
2021	0.0123%	\$ 130,094	\$ 2,307,010	5.64%	67.45%
2020	0.0118%	183,258	\$ 2,260,000	8.11%	52.64%
2019	0.0113%	174,883	2,106,746	8.30%	52.00%
2018	0.0110%	167,283	2,609,197	6.41%	51.22%
2017	0.0135%	202,673	2,274,559	8.91%	48.86%

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
Years Ended June 30, 2017 through June 30, 2022**

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2022	\$ 14,797	\$ 14,797	\$ -	\$ 2,740,185	0.54%
2021	12,458	12,458	-	2,307,010	0.54%
2020	11,752	11,752	-	2,260,000	0.52%
2019	10,955	10,955	-	2,106,746	0.52%
2018	13,672	13,672	-	2,609,197	0.52%
2017	12,687	12,687	-	2,274,559	0.56%

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Notes to Required Supplementary Information
Group Life Insurance (GLI) 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 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:

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

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios - Stand-Alone OPEB
For the Measurement Dates Ended June 30, 2017 through 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 54,430	\$ 53,157	\$ 56,905	\$ 26,746	\$ 28,860
Interest	15,886	20,784	24,410	25,466	21,323
Amortization adjustments	-	-	1,856	-	-
Changes in proportionate share	(79,018)	-	(35,271)	-	-
Changes in assumptions	(70,507)	32,264	(16,226)	(4,557)	(36,716)
Differences between expected and actual experience	22,666	6,298	(39,993)	(55,318)	-
Benefit payments	(53,373)	(5,069)	(34,993)	(4,241)	(41,000)
Net change in total OPEB liability	\$ (109,916)	\$ 107,434	\$ (43,312)	\$ (11,904)	\$ (27,533)
Total OPEB liability - beginning	793,340	685,906	729,218	741,122	768,655
Total OPEB liability - ending	\$ <u>683,424</u>	\$ <u>793,340</u>	\$ <u>685,906</u>	\$ <u>729,218</u>	\$ <u>741,122</u>
Payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Center's total OPEB liability (asset) as a percentage of 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.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Notes to Required Supplementary Information - Stand-Alone 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 4.7% in 2017 and gradually declines to 4.0% 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 was calculated using the RP 2000 Disabled Mortality Table.

- Other Supplementary Information -

CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER

(Page 1 of 2)

Schedule of Revenues and Expenditures
Budgetary Basis
Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Operating revenues:				
Intergovernmental:				
Charges for services:				
City of Charlottesville	\$ 1,768,082	\$ 1,768,082	\$ 1,767,384	\$ (698)
County of Albemarle	3,175,735	3,175,735	3,174,537	(1,198)
University of Virginia	1,651,180	1,651,180	1,625,725	(25,455)
Charlottesville-Albemarle Airport Authority	28,556	28,556	28,556	-
Albemarle Charlottesville Regional Jail	13,351	13,351	13,351	-
Rivanna Water and Sewer Authority	14,655	14,655	12,980	(1,675)
Other	35,996	35,996	27,818	(8,178)
Total charges for services	<u>\$ 6,687,555</u>	<u>\$ 6,687,555</u>	<u>\$ 6,650,351</u>	<u>\$ (37,204)</u>
Miscellaneous	<u>13,000</u>	<u>181,637</u>	<u>95,639</u>	<u>(85,998)</u>
Total operating revenues	<u>\$ 6,700,555</u>	<u>\$ 6,869,192</u>	<u>\$ 6,745,990</u>	<u>\$ (123,202)</u>
Expenditures:				
Operating:				
Salaries and wages	\$ 3,173,324	\$ 3,439,626	\$ 3,444,994	\$ (5,368)
Fringes	1,161,180	1,161,180	1,041,479	119,701
Contractual	948,718	1,343,301	653,202	690,099
Other charges	614,301	685,729	567,080	118,649
Capital outlays	67,017	1,279,941	539,249	740,692
Total operating	<u>\$ 5,964,540</u>	<u>\$ 7,909,777</u>	<u>\$ 6,246,004</u>	<u>\$ 1,663,773</u>
Emergency Services:				
Salaries and wages	\$ 63,030	\$ 63,030	\$ 49,189	\$ 13,841
Fringes	25,109	25,109	15,657	9,452
Contractual	206,436	234,786	189,175	45,611
Other charges	31,590	36,173	30,869	5,304
Total emergency services	<u>\$ 326,165</u>	<u>\$ 359,098</u>	<u>\$ 284,890</u>	<u>\$ 74,208</u>
800 MHZ Operations:				
Salaries and wages	\$ 58,710	\$ 58,710	\$ 63,659	\$ (4,949)
Fringes	24,690	24,690	18,938	5,752
Contractual	758,921	792,850	693,712	99,138
Other charges	166,154	167,154	173,494	(6,340)
Capital outlays	59,000	114,335	86,338	27,997
Total 800 MHZ operations	<u>\$ 1,067,475</u>	<u>\$ 1,157,739</u>	<u>\$ 1,036,141</u>	<u>\$ 121,598</u>
Total expenditures	<u>\$ 7,358,180</u>	<u>\$ 9,426,614</u>	<u>\$ 7,567,035</u>	<u>\$ 1,859,579</u>

Schedule of Revenues and Expenditures
Budgetary Basis
Year Ended June 30, 2022 (Continued)

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Net operating income (loss)	\$ (657,625)	\$ (2,557,422)	\$ (821,045)	\$ 1,736,377
Nonoperating revenue:				
Revenue from use of money of property:				
Investment earnings	\$ 50,000	\$ 50,000	\$ 13,461	\$ (36,539)
Rent income	3,993	3,993	4,206	213
Total revenue from use of money of property	<u>\$ 53,993</u>	<u>\$ 53,993</u>	<u>\$ 17,667</u>	<u>\$ (36,326)</u>
Commonwealth of Virginia:				
Wireless E-911 grant	\$ 568,680	\$ 706,080	\$ 735,302	\$ 29,222
Other categorical aid from the commonwealth	34,952	34,952	26,773	(8,179)
Total revenue from the commonwealth	<u>\$ 603,632</u>	<u>\$ 741,032</u>	<u>\$ 762,075</u>	<u>\$ 21,043</u>
Total nonoperating revenues	<u>\$ 657,625</u>	<u>\$ 795,025</u>	<u>\$ 779,742</u>	<u>\$ (15,283)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (1,762,397)</u>	<u>\$ (41,303)</u>	<u>\$ 1,721,094</u>

This statement is prepared using the Center's budgetary basis of accounting which differs from that required by generally accepted accounting principles.

**CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY
EMERGENCY COMMUNICATIONS CENTER**

**Reconciliation of the Schedule of Revenues and Expenditures - Budgetary Basis
to the Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022**

Reconciliation of excess (deficiency) of revenues over (under) expenses to changes in net position per the Statement of Revenues, Expenses and Changes in Net Position:	
Excess (deficiency) of revenues over expenditures per budgetary basis schedule	\$ (41,303)
Nonbudgetary funds activity not included on the Schedule of Revenues and Expenses - Budgetary Basis:	
800 MHz Radio System Fund - expenses	(1,661,846)
Integrated computer aided dispatch - expenses	(359,055)
Changes in other post employment benefits	163,080
Capital contributions	2,020,455
Changes in deferred outflows of resources	213,627
Changes in deferred inflows of resources	(1,422,394)
Changes in net pension liability	1,227,433
Additions to capital assets	45,958
Depreciation	<u>(389,666)</u>
Change in net position, per statement of revenues, expenses, and changes in net position	\$ <u><u>(203,711)</u></u>

- Compliance -



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

**TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS
COUNTY OF ALBEMARLE, VIRGINIA AS FISCAL AGENT FOR
CHARLOTTESVILLE-UVA-ALBEMARLE COUNTY EMERGENCY COMMUNICATIONS CENTER
CHARLOTTESVILLE, VIRGINIA**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities and aggregate remaining fund information of Charlottesville-UVA-Albemarle County Emergency Communications Center as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Charlottesville-UVA-Albemarle County Emergency Communications Center's basic financial statements and have issued our report thereon dated October 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Charlottesville-UVA-Albemarle County Emergency Communications Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charlottesville-UVA-Albemarle County Emergency Communications Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Charlottesville-UVA-Albemarle County Emergency Communications Center's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson, Fournel, Cox Associates

Charlottesville, Virginia
October 6, 2023